Recticel AB
556152-2748

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Fastställelseintyg

Undertecknad styrelseledamot i Recticel AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma 2023-06-30

Stämman beslutade också att godkänna styrelsens förslag till resultatdisposition.

Gislaved 2023-06-30

Frank Sander
Styrelseledamot

20230712230933

Årsredovisning för

Recticel AB

556152-2748

Räkenskapsåret
2022-01-01 - 2022-12-31

Innehållsförteckning: **Sida**

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Förvaltningsberättelse

Styrelsen för Recticel AB, 556152-2748, med säte i Gislaved, får härmed avge årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31.

Allmänt om verksamheten

Bolagets verksamhet innefattar i huvudsak tillverkning och försäljning av polyuretancellplaster och produkter därav, bland annat sängar, madrasser, produkter för fordonsindustrin och övrig industri för konsumentmarknaden. Produktionsenheter finns i Gislaved och i Mönsterås.

Recticel AB:s ambition är att utveckla produkter och utbilda marknaden om materialets användningsområden för att stärka polyuretancellplastens ställning som möjlighetemas material.

Koncernredovisning upprättas av Recticel S.A/N.V och Recticel AB kommer med stöd av undantagsregeln i Årsredovisningslagen 7 kap 2§ inte upprätta någon koncernredovisning för 2022.

Företaget har sitt säte i Gislaved.

Ägarförhållanden

Bolaget är helägt dotterbolag till Recticel S.A/N.V., org nr 0405 666 668 med säte i Bryssel, Belgien.

Utveckling av företagets verksamhet, resultat och ställning

Belopp i Tkr

	2022	*2021*	*2020*	*2019*	*2018*
Nettoomsättning	524 138	539 279	446 976	474 583	517 056
Resultat efter fin poster	53 365	38 257	55 204	42 675	33 997
Avkastning på eget kapital %	13	10	16	15	13
Soliditet %	84	83	80	81	71

Definitioner: se not 33

Väsentliga händelser under räkenskapsåret

Under verksamhetsåret har affärsområdet Bedding avyttrats och därmed även en del av bolagets försäljning transfererats från bolaget. Dock kvarstår avyttrandet av Engineered foams som beslutades i moderbolaget Recticel SA/NV i slutet av 2021. Detta med anledning av fördröjningar i samband med att konkurrensmyndigheten i Storbritannien hade invändningar mot affären i det initialt föreslagna formatet. Denna avyttring förväntas istället att genomföras under första halvan av 2023.

Förväntad framtida utveckling

Bolaget förväntar sig att 2023 blir ett mer normalt år jämfört med 2022 som präglats av ökningar på kostnadssidan. Likt andra bolag har inte vi varit förskonade från inflation och kostnadsökningar vilket påverkar marknaden negativt. Detta kommer sannolikt innebära fortsatta utmaningar även under 2023.

Forskning och utveckling

Grundforskning och utveckling sker inom ramen för Recticelkoncernens centrala utvecklingslaboratoriums verksamhet, SID med placering i Wetteren i Belgien, men naturligtvis i nära samarbete med respektive berörda enheter inom Recticel AB och dotterbolag.

Användning av finansiella instrument

Bolaget är i sin verksamhet exponerad för finansiella risker. Gemensam koncernpolicy, som fastställs av styrelsen, ligger till grund för hanteringen av dessa risker på olika nivåer i koncernen.

Valutarisk

Bolaget har intäkter och kostnader i olika valutor och är därmed exponerad för risker avseende valutakursrörelser. Denna risk påverkar resultatet. Hanteringen av valutarisker sker, till övervägande del, centralt i koncernen. Det säkringsinstrument som används är terminskontrakt.

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Ränterisk

Bolagets finansieringskostnad påverkas av förändringar i marknadsräntan. Räntebindningen på koncernens finansiella tillgångar och skulder är kort och huvudsakligen till rörlig ränta.

Hållbarhetsupplysningar

Se not 31.

Tillstånds-eller anmälningspliktig verksamhet enligt miljöbalken

Recticel AB bedriver tillståndspliktig verksamhet enligt miljöbalkens krav. Koncessionsnämndens tillstånd daterat 1991-11-04 avser tillverkning och bearbetning av polyuretancellplast till en volym motsvarande upp till 16 000 ton per år. Under 2022 har inte någon förändring av verksamheten skett som påverkar fastställda kriterier.

För tillverkning av polyuretancellplast krävs isocyanat som under transport, lossning och användning utgör en potentiell säkerhetsrisk. All hantering av isocyanat sker enligt gällande lagkrav och branschpraxis. Villkorskraven i tillståndet kräver bl a som riktvärde en reningsgrad av isocyanatutsläpp till luft från skumningsprocessen på minst 95% under 97% av skumningstiden.

Villkorskravet avseende luftemissioner säkerställs genom årliga mätningar enligt fastställt kontrollprogram. Genomförda mätningar har gett resultat som med god marginal innefattas i villkorskravet.

I verksamheten genererat kemiskt avfall omhändertas enligt gällande lagstiftning. Det fasta industriavfallet källsorteras och vidarehanteras av godkända entreprenörer.

I Mönsterås är verksamheten anmälningspliktig avseende den mängd aceton som användes i del av tillverkningsprocessen (polyuretanspray). Den idag anmälda mängden aceton utnyttjas inte till fullo. Under 2021 har inte någon förändring av verksamheten skett som påverkar fastställda rutiner.

Bolaget är kvalitetscertifierat enligt standarden ISO 9001:2015 och miljöcertifierat enligt standarden ISO 14001 (endast Mönsteråsenheten). Dessutom arbetar bolaget utifrån ett omfattande säkerhetssystem uppbyggt enligt principerna ISO 14001 och AFS 2001:1.

Eget kapital

Belopp i Tkr	*Aktie-kapital*	*Reserv-fond*	*Balanserat resultat*	*Årets resultat*	*Totalt*
Vid årets början	9 000	8 400	259 419	29 376	306 195
Omföring av föreg års vinst			29 376	-29 376	-
Årets resultat				37 938	37 938
Vid årets slut	**9 000**	**8 400**	**288 795**	**37 938**	**344 133**

Förslag till disposition av företagets vinst eller förlust

	Belopp i kr
Styrelsen föreslår att till förfogande stående medel:	
Balanserat resultat	288 794 281
Årets resultat	37 938 086
Totalt	326 732 367
Disponeras för	
Balanseras i ny räkning	326 732 367
Summa	326 732 367

Vad beträffar resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkning med tillhörande noter.

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Resultaträkning

Belopp i Tkr	*Not*	*2022-01-01-2022-12-31*	*2021-01-01-2021-12-31*
Nettoomsättning	*3*	524 138	539 279
Kostnad för sålda varor		-457 851	-450 525
Bruttoresultat		66 287	88 754
Försäljningskostnader		-19 094	-27 190
Administrationskostnader		-19 313	-19 013
Övriga rörelseintäkter	*4*	43 780	372
Övriga rörelsekostnader		-16 570	-4 741
Rörelseresultat	*5,6,7*	55 090	38 182
Resultat från finansiella poster			
Ränteintäkter och liknande resultatposter		13	240
Räntekostnader och liknande resultatposter	*8*	-1 738	-165
Resultat efter finansiella poster		53 365	38 257
Bokslutsdispositioner	*9*	-5 751	-1 797
Resultat före skatt		47 614	36 460
Skatt på årets resultat	*10*	-9 676	-7 084
Årets resultat		37 938	29 376

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Balansräkning

Belopp i Tkr	*Not*	*2022-12-31*	*2021-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Dataprogram	*11*	303	600
		303	600
Materiella anläggningstillgångar			
Byggnader och mark	*12*	5 943	6 698
Maskiner och andra tekniska anläggningar	*13*	14 871	16 703
Inventarier, verktyg och installationer	*14*	1 092	982
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	*15*	5 151	1 763
		27 057	26 146
Finansiella anläggningstillgångar			
Andelar i koncernföretag	*16*	261 642	261 642
Andra långfristiga värdepappersinnehav	*17*	10	10
Uppskjuten skattefordran	*18*	-	237
		261 652	261 889
Summa anläggningstillgångar		289 012	288 635
Omsättningstillgångar			
Varulager mm			
Råvaror och förnödenheter		47 322	34 521
Varor under tillverkning		12 406	9 303
Färdiga varor och handelsvaror		14 564	20 849
		74 292	64 673
Kortfristiga fordringar			
Kundfordringar		53 810	54 351
Fordringar hos koncernföretag	*19*	71 172	26 981
Övriga fordringar		4 003	5 513
Förutbetalda kostnader och upplupna intäkter	*20*	448	1 947
		129 433	88 792
Kassa och bank		-	389
Summa omsättningstillgångar		203 725	153 854
SUMMA TILLGÅNGAR		492 737	442 489

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Balansräkning

Belopp i Tkr	*Not*	*2022-12-31*	*2021-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital	*21*		
Bundet eget kapital			
Aktiekapital	*22*	9 000	9 000
Reservfond		8 400	8 400
		17 400	17 400
Fritt eget kapital			
Balanserad vinst eller förlust		288 795	259 419
Årets resultat		37 938	29 376
		326 733	288 795
Summa eget kapital		344 133	306 195
Obeskattade reserver			
Ackumulerade överavskrivningar	*23*	20 251	21 200
Periodiseringsfonder	*24*	65 100	58 400
		85 351	79 600
Kortfristiga skulder			
Leverantörsskulder		30 410	18 529
Skulder till koncernföretag		6 713	6 683
Skatteskulder		459	2 218
Övriga kortfristiga skulder		7 950	10 224
Upplupna kostnader och förutbetalda intäkter	*25*	17 721	19 040
		63 253	56 694
SUMMA EGET KAPITAL OCH SKULDER		492 737	442 489

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Kassaflödesanalys

Belopp i Tkr	*Not*	*2022-01-01-2022-12-31*	*2021-01-01-2021-12-31*
Den löpande verksamheten			
Resultat efter finansiella poster	26	53 365	38 257
Justeringar för poster som inte ingår i kassaflödet, m m	27	3 924	3 970
		57 289	42 227
Betald inkomstskatt		-11 435	-6 565
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**45 854**	**35 662**
Kassaflöde från förändringar i rörelsekapital			
Ökning(-)/Minskning (+) av varulager		-9 619	-11 435
Ökning(-)/Minskning (+) av rörelsefordringar		-40 945	-12 063
Ökning(+)/Minskning (-) av rörelseskulder		8 777	-12 119
Kassaflöde från den löpande verksamheten		**4 067**	**45**
Investeringsverksamheten			
Förvärv av immateriella anläggningstillgångar		-	-23
Förvärv av materiella anläggningstillgångar		-4 456	-12
Kassaflöde från investeringsverksamheten		**-4 456**	**-35**
Finansieringsverksamheten			
Kassaflöde från finansieringsverksamheten			
Årets kassaflöde		**-389**	**10**
Likvida medel vid årets början		**389**	**379**
Likvida medel vid årets slut	**28**	**-**	**389**

Likvida medel är en bolagets del i koncernen cash-poolingsystem och redovisas som en del i koncernmellanhavanden, se not 19.

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Noter

Not 1 Redovisningsprinciper
Belopp i Tkr om inget annat anges

Allmänna redovisningsprinciper
Årsredovisningen har upprättats i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Värderingsprinciper m m
Tillgångar, avsättningar och skulder har värderats utifrån anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning
Nettoomsättningen innefattar det verkliga värdet av vad som erhållits eller kommer att erhållas för sålda varor och tjänster i bolagets löpande verksamhet. Nettoomsättning redovisas exklusive mervärdesskatt, returer och rabatter. Intäkter redovisas när inkomsten kan beräknas på ett tillförlitligt sätt och när huvudsakligen alla risker och rättigheter som är förknippade med ägandet övergått till köparen, vilket normalt inträffar i samband med leverans.

Ränteintäkter redovisas i enlighet med effektivräntemetoden.

Utdelning redovisas när rätten att erhålla utdelningen är säkerställd.

Leasingavtal
Alla leasingavtal redovisas som operationella leasingavtal, vilket innebär att att leasingavgiften fördelas linjärt över leasingperioden.

Skatt
Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatteskuld redovisas för alla skattepliktiga temporära skillnader, dock inte för temporära skillnader som härrör från första redovisningen av goodwill. Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag. Värderingen baseras på hur det redovisade värdet för motsvarande tillgång eller skuld förväntas återvinnas respektive regleras. Beloppen baseras på de skattesatser och skatteregler som är beslutade före balansdagen och har inte nuvärdesberäknats.

Ersättningar till anställda
Kortfristiga ersättningar
Kortfristiga ersättningar i koncernen utgörs av lön, sociala avgifter, betald semester, betald sjukfrånvaro,sjukvård och bonus. Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning.

Ersättningar efter avslutad anställning
I Recticel AB förekommer såväl avgiftsbestämda som förmånsbestämda pensionsplaner. I avgiftsbestämda planer betalar företaget fastställda avgifter till ett annat företag och har inte någon legal eller informell förpliktelse att betala något ytterligare även om det andra företaget inte kan uppfylla sitt åtagande. Bolagets resultat belastas för kostnader i takt med att de anställdas pensionsberättigande tjänster utförts. Vid förmånsbestämda planer står företaget i allt väsentligt riskerna för att ersättningarna kommer att kosta mer än förväntat och att avkastningen på relaterade tillgångar kommer att avvika från förväntningarna. Recticel AB redovisar förmånsbestämda pensionsplaner i enlighet med K3:s förenklingsregler.

Ersättningar vid uppsägning
Ersättningar vid uppsägning utgår bolaget beslutar att avsluta en anställning före den normala tidpunkten för anställningens upphörande eller då en anställd accepterar ett erbjudande om frivillig

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avgång i utbyte mot sådan ersättning. Om ersättningen inte ger företaget någon framtida ekonomisk fördel redovisas en skuld och en kostnad när företaget har en legal eller informell förpliktelse att lämna sådan ersättning. Ersättningen värderas till den bästa uppskattningen av den ersättning som skulle krävas för att reglera förpliktelsen på balansdagen.

Immateriella anläggningstillgångar

Övriga immateriella anläggningstillgångar
Övriga immateriella tillgångar som förvärvats av företaget är redovisade till anskaffningsvärde minus ackumulerade avskrivningar och nedskrivningar. Utgifter för internt genererad goodwill och varumärken redovisas i resultaträkningen som kostnad då de uppkommer.

Avskrivningar

Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod. Avskrivningen redovisas som kostnad i resultaträkningen.

Immateriella anläggningstillgångar	*År*
Förvärvade immateriella tillgångar	
Dataprogram	5

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar.

I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången. När en komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras.

Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som Övrig rörelseintäkt respektive Övrig rörelsekostnad.

Tillkommande utgifter
Tillkommande utgifter som uppfyller tillgångskriteriet räknas in i tillgångens redovisade värde. Utgifter för löpande underhåll och reparationer redovisas som kostnader när de uppkommer.

Avskrivningar

Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod eftersom det återspeglar den förväntade förbrukningen av tillgångens framtida ekonomiska fördelar. Avskrivningen redovisas som kostnad i resultaträkningen.

Materiella anläggningstillgångar	*%*
Övervärde byggnad	5
Markanläggningar	5
Byggnader	4
Skumningsmaskin	4
Fastighetsinventarier	5
Maskiner och andra tekniska anläggningar	14-25
Fordon	10-25
IT-utrustning, hårdvara	25
IT-utrustning, programvara	14-33

Andelar i dotterföretag, intresseföretag, gemensamt styrda företag och företag med ägarintresse i
Andelar i dotterföretag, intresseföretag, gemensamt styrda företag och företag det finns ägarintresse i redovisas till anskaffningsvärde minskat med ackumulerade nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

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Nedskrivningar - materiella och immateriella anläggningstillgångar samt andelar i koncernföretag
Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde.
Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

Varulager
Varulagret är upptaget till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Därvid har inkuransrisk beaktats. Anskaffningsvärdet beräknas enligt först in- först ut- principen. I anskaffningsvärdet ingår förutom utgifter för inköp även utgifter för att bringa varorna till deras aktuella plats och skick. Verkligt värde utgörs av beräknat försäljningsvärde med avdrag för beräknad försäljningskostnad. Kollektiv värdering är tillämpad för homogena varugrupper. Inkuransen är bedömd efter individuell prövning.

Finansiella tillgångar och skulder
Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFNAR 2012:1.

Redovisning i och borttagande från balansräkningen
En finansiell tillgång eller finansiell skuld tas upp i balansräkningen när företaget blir part i instrumentets avtalsmässiga villkor. En finansiell tillgång tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången har upphört eller regleras. Detsamma gäller när de risker och fördelar som är förknippade med innehavet i allt väsentligt överförts till annan part och företaget inte längre har kontroll över den finansiella tillgången. En finansiell skuld tas bort från balansräkningen när den avtalade förpliktelsen fullgjorts eller upphört.

Värdering av finansiella tillgångar
Finansiella tillgångar värderas vid första redovisningstillfället till anskaffningsvärde, inklusive eventuella transaktionsutgifter som är direkt hänförliga till förvärvet av tillgången.

Finansiella omsättningstillgångar värderas efter första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Kundfordringar och övriga fordringar som utgör omsättningstillgångar värderas individuellt till det belopp som beräknas inflyta.

Finansiella anläggningstillgångar värderas efter första redovisningstillfället till anskaffningsvärde med avdrag för eventuella nedskrivningar och med tillägg för eventuella uppskrivningar.

Räntebärande finansiella tillgångar värderas till upplupet anskaffningsvärde med tillämpning av effektivräntemetoden.

Vid värdering till lägsta värdets princip respektive vid bedömning av nedskrivningsbehov anses *företagets finansiella instrument som innehas för riskspridning ingå i en värdepappersportfölj och* värderas därför som en post.

Värdering av finansiella skulder
Finansiella skulder värderas till upplupet anskaffningsvärde. Utgifter som är direkt hänförliga till upptagande av lån korrigerar lånets anskaffningsvärde och periodiseras enligt effektivräntemetoden.

Utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs och orealiserade kursvinster och kursförluster ingår i resultatet.

Orealiserade kursvinster på långfristiga fordringar och skulder avräknas mot orealiserade kursförluster vartefter överskjutande kursvinst eller kursförlust redovisas i resultaträkningen som en finansiell intäkt eller finansiell kostnad.

Kursvinster/kursförluster på rörelserelaterade fordringar och skulder redovisas som övriga

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rörelseintäkter/rörelsekostnader.

Kursdifferenser avseende finansiella tillgångar och skulder redovisas under resultat från finansiella investeringar.

Terminskontrakt avseende kurssäkring för framtida in- och utbetalningar i utländsk valuta värderas ej på balansdagen. Skillnaden mellan de uppnådda terminskurserna och den avistakurs som råder då respektive valutaaffär förfaller, redovisas i rörelseresultatet och hänförs till det kostnads- eller intäktsslag terminsaffären är avsedd att täcka.

Koncernmellanhavande
Skuld mot moderbolaget Recticel S.A/N.V. hanteras via koncernkonto hos moderbolaget. Detta innebär att samtliga transaktioner mot moderbolaget, oavsett köp av varor eller lånetransaktion, ingår och redovisas som kortfristig skuld till koncernföretag. Förändring av posterna redovisas i kassaflödet som "kassaflöde från den löpande verksamheten".

Kassaflödesanalys
Kassaflödesanalys upprättas enligt direkt metod i enlighet med Redovisningsområdets rekommendationer RR 7. Det redovisade kassaflödet omfattar endast transaktioner som medför in- eller utbetalningar.

Not 2 Uppskattningar och bedömningar

Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

De uppskattningar och antaganden som innebär en betydande risk för väsentliga justeringar i redovisade värden för tillgångar och skulder under nästkommande år behandlas i huvuddrag nedan.

Prövning av nedskrivningsbehov för tillgångars värde
Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

Värdering av kundfordringar
Vardering av osäkra kundfordringar sker individuellt baserat på bedömd betalningsförmåga. Kundfordringarna består av en relativt stor mängd kunder, dvs. det finns darmed oftast ingen enskild stor fordran vilket ger en god riskspridning.

Värdering varulager
Varulager utgör en väsentlig post i bolaget. De områden som innefattar väsentliga bedomningar i varulager utgörs av inkurans pga. trögrorlighet och lägsta vardets princip.

Bedömd nyttjandeperiod för materiella anläggningstillgangar
De antaganden som gjorts avseende ekonomisk livslängd per anläggningstyp framgår av not under rubriken Materiella anläggningstillgångar. Bedömningen sker med utgångspunkt från den erfarenhet företagsledningen har av liknande tillgångar och den tänkta användningen i verksamheten.

Förekomsten av eventualförpliktelser
Bolaget är avtalspart i ett flertal avtal av varierande karaktär. Avtalens komplexitet kan vara av varierande karaktär och bolaget är därav av naturliga skäl, exponerade för större risker som negativt kan påverka affärsverksamheten. Företagsledningen utför löpande uppskattningar och bedömningar avseende ingångna avtal för att bedöma bolagets riskexponering och risken for att ingångna avtal kan leda till ett utflöde av resurser för koncernen.

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Not 3 Nettoomsättning per rörelsegren och geografisk marknad

Nettoomsättning per rörelsegren

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Varuförsäljning	517 658	535 765
Tjänsteuppdrag	6 480	3 514
Summa	**524 138**	**539 279**

Not 4 Övriga rörelseintäkter

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Valutaeffekter	3 580	230
Avyttring Insulation-verksamheten	40 059	-
Övrigt	141	142
Summa	**43 780**	**372**

Not 5 Anställda och personalkostnader

Medelantalet anställda

	2022-01-01-2022-12-31	*Varav män*	*2021-01-01-2021-12-31*	*Varav män*
Sverige	157	114	174	124
Totalt	**157**	**114**	**174**	**124**

Redovisning av könsfördelning i företagsledningar

	2022-12-31	*2021-12-31*
Andel kvinnor		
Styrelsen	29%	43%
Övriga ledande befattningshavare	13%	8%

Löner och andra ersättningar samt sociala kostnader, inklusive pensionskostnader

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Styrelse och VD	-	-
Övriga anställda	56 970	60 974
Summa	**56 970**	**60 974**
Sociala kostnader	23 623	24 737
(varav pensionskostnader) 1)	4 498	3 771

1) Av företagets pensionskostnader avser 0 (f.å. 0) företagets VD och styrelse. Företagets utestående pensionsförpliktelser till dessa uppgår till 0(f.å. 0).

Not 6 Arvode och kostnadsersättning till revisorer

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Öhrlings PricewaterhouseCoopers AB		
Revisionsuppdrag	367	267
Andra uppdrag		-
KPMG AB		
Andra uppdrag	263	204

Med revisionsuppdrag avses lagstadgad revision av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning samt revision och annan granskning utförd i enlighet med överenskommelse eller avtal.

Detta inkluderar övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

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Not 7 Operationell leasing - leasetagare

Årets leasingkostnader avseende leasingavtal, uppgår till 9 331 (8 579) TSEK, varav lokalhyra utgör 7 465 (6 945) TSEK.

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Framtida minimlleaseavgifter avseende icke uppsägningsbara operationella leasingavtal:		
Inom ett år	6 060	6 424
Mellan ett och fem år	3 271	2 627
Senare än fem år	-	56
	9 331	9 107

Not 8 Räntekostnader och liknande resultatposter

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Räntekostnader, koncernföretag	132	86
Räntekostnader, övriga	434	79
Kursdifferenser	1 172	-
Summa	**1 738**	**165**

Not 9 Bokslutsdispositioner

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Förändringar avskrivningar utöver plan	949	2 503
Förändring av periodiseringsfond	-6 700	-4 300
Summa	**-5 751**	**-1 797**

Not 10 Skatt på årets resultat

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Aktuell skatt	-9 676	-7 321
Förändring av uppskjuten skatt avseende temporära skillnader	-	237
	-9 676	**-7 084**

Avstämning av effektiv skatt

		2022-01-01-2022-12-31		*2021-01-01-2021-12-31*
			Procent	Belopp
Resultat före skatt		47 614		34 261
Skatt enligt gällande skattesats	20,6%	-9 808	20,6%	-7 058
Ej avdragsgilla kostnader		-216		-419
Ej skattepliktiga intäkter		355		449
Schablonränta på periodiseringsfond		-60		-56
Övrigt		53		-
Redovisad effektiv skatt		**-9 676**		**-7 084**

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Not 11 Dataprogram

	2022-12-31	2021-12-31
Ackumulerade anskaffningsvärden		
-Vid årets början	17 042	17 019
-Nyanskaffningar	-	23
-Avyttringar och utrangeringar	-11 396	-
-Omklassificeringar	-9	-
Vid årets slut	5 637	17 042
Ackumulerade avskrivningar		
-Vid årets början	-16 442	-16 165
-Återförda avskrivningar på avyttringar och utrangeringar	11 396	-
-Årets avskrivning	-288	-277
Vid årets slut	-5 334	-16 442
Redovisat värde vid årets slut	**303**	**600**

Not 12 Byggnader och mark

	2022-12-31	2021-12-31
Ackumulerade anskaffningsvärden		
-Vid årets början	55 606	54 589
-Avyttringar och utrangeringar	-11 163	-
-Omklassificeringar	-	1 836
-Övriga förändringar	-868	-819
Vid årets slut	43 575	55 606
Ackumulerade avskrivningar		
-Vid årets början	-48 908	-47 797
-Återförda avskrivningar på avyttringar och utrangeringar	11 163	-
-Årets avskrivning	-837	-1 111
-Övriga förändringar	950	-
Vid årets slut	-37 632	-48 908
Redovisat värde vid årets slut	**5 943**	**6 698**

Not 13 Maskiner och andra tekniska anläggningar

	2022-12-31	2021-12-31
Ackumulerade anskaffningsvärden		
-Vid årets början	109 722	104 988
-Nyanskaffningar	158	-
-Avyttringar och utrangeringar	-16 292	-
-Omklassificeringar	310	4 752
-Övriga förändringar	-	-18
Vid årets slut	93 898	109 722
Ackumulerade avskrivningar		
-Vid årets början	-93 019	-90 840
-Återförda avskrivningar på avyttringar och utrangeringar	16 292	-
-Årets avskrivning	-2 300	-2 179
Vid årets slut	-79 027	-93 019
Redovisat värde vid årets slut	**14 871**	**16 703**

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Not 14 Inventarier, verktyg och installationer

	2022-12-31	*2021-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	5 082	4 572
-Nyanskaffningar	4	12
-Avyttringar och utrangeringar	-2 479	-
-Omklassificeringar	605	498
	3 212	5 082
Ackumulerade avskrivningar		
-Vid årets början	-4 100	-3 697
-Återförda avskrivningar på avyttringar och utrangeringar	2 479	-
-Årets avskrivning	-499	-403
	-2 120	-4 100
Redovisat värde vid årets slut	**1 092**	**982**

Not 15 Pågående nyanläggningar och förskott materiella anläggningstillgångar

	2022-12-31	*2021-12-31*
Vid årets början	1 763	7 708
Omklassificeringar	-906	-7 086
Investeringar	4 294	1 360
Övrigt	-	-219
Redovisat värde vid årets slut	**5 151**	**1 763**

Not 16 Andelar i koncernföretag

	2022-12-31	*2021-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	261 642	261 642
Redovisat värde vid årets slut	**261 642**	**261 642**

Specifikation av moderföretagets innehav av aktier och andelar i koncernföretag
Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

Dotterföretag / Org nr / Säte	*Antal-andelar*	*Kapital andel i %*	*Rösträtts andel i %*	*Redovisat värde*
Recticel AS, 30030872, Oysans, Norway	2 678	100	100	37 855
Recticel OY, 1832847-7, Kouvola, Finland	367 500	100	100	223 787
				261 642

	Eget kapital	*Resultat*
Recticel AS, 30030872, Oysans, Norway	31 583	6 033
Recticel OY, 1832847-7, Kouvola, Finland	138 423	41 184

Not 17 Andra långfristiga värdepappersinnehav

	2022-12-31	*2021-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	10	10
Redovisat värde vid årets slut	**10**	**10**

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Not 18 Uppskjuten skatt

2022-12-31	*Uppskjuten skattefordran*	*Uppskjuten skatteskuld*	*Netto*
Väsentliga temporära skillnader			
Övriga temporära skillnader	-	-	-
Uppskjuten skattefordran/skuld	-	-	-
Uppskjuten skattefordran/skuld (netto)	-	-	-
2021-12-31			
Väsentliga temporära skillnader			
Övriga temporära skillnader	237	-	237
Uppskjuten skattefordran/skuld	237	-	237
Uppskjuten skattefordran/skuld (netto)	**237**	-	**237**

Not 19 Fordringar hos koncernföretag

	2022-12-31	*2021-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	26 981	19 611
-Tillkommande fordringar	44 191	7 370
Redovisat värde vid årets slut	**71 172**	**26 981**

Bolaget ingår i koncernens cash-poolingsystem. Per balansdagen återinns en fordran på 66 328 tkr (18 616 tkr) avseende likvida medel i cashpool. Förändring i fordran avseende likvida medel i cashpool inkluderas i årets förändring av rörelsefordringar i kassaflödesanalysen.

Not 20 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	*2021-12-31*
Förutbetalda hyror	52	1 041
Förutbetalda försäkringar	92	623
Övriga poster	304	283
	448	**1 947**

Not 21 Disposition av vinst eller förlust

Förslag till disposition av företagets vinst eller förlust
Styrelsen föreslår att fritt eget kapital, kronor 326 732 367, disponeras enligt följande:

Belopp i tkr	*2022-12-31*
Balanseras i ny räkning	326 733
	326 733

Not 22 Antal aktier och kvotvärde

	2022-12-31	*2021-12-31*
Antal aktier	90 000	90 000
Kvotvärde, kr	100	100

Not 23 Ackumulerade överavskrivningar

	2022-12-31	*2021-12-31*
Ackumulerade överavskrivningar	20 251	21 200
	20 251	**21 200**

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Not 24 Periodiseringsfonder

	2022-12-31	*2021-12-31*
Periodiseringsfond, avsatt vid beskattningsår 2016	-	8 700
Periodiseringsfond, avsatt vid beskattningsår 2017	6 000	6 000
Periodiseringsfond, avsatt vid beskattningsår 2018	9 700	9 700
Periodiseringsfond, avsatt vid beskattningsår 2019	10 700	10 700
Periodiseringsfond, avsatt vid beskattningsår 2020	11 500	11 500
Periodiseringsfond, avsatt vid beskattningsår 2021	11 800	11 800
Periodiseringsfond, avsatt vid beskattningsår 2022	15 400	-
	65 100	**58 400**

Not 25 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	*2021-12-31*
Upplupna semesterlöner	6 351	9 746
Upplupna sociala avgifter	5 601	6 134
Övriga poster	5 769	3 160
	17 721	**19 040**

Not 26 Betalda räntor och erhållen utdelning

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Erhållen utdelning	-	-
Erhållen ränta	13	98
Erlagd ränta	-566	-165

Not 27 Justering för poster som inte ingår i kassaflödet

	2022-12-31	*2021-12-31*
Avskrivningar	3 924	3 970
	3 924	**3 970**

Not 28 Likvida medel

	2022-12-31	*2021-12-31*
Följande delkomponenter ingår i likvida medel:		
Banktillgodohavande	-	389
	-	**389**

Ovanstående poster har klassificerats som likvida medel med utgångspunkten att:
- De har en obetydlig risk för värdefluktuationer.
- De kan lätt omvandlas till kassamedel.
- De har en löptid om högst 3 månader från anskaffningstidpunkten.

Bolaget har likvida medel på ett koncernkonto. Dessa klassificeras som fordran i balansräkningen.

Not 29 Ställda säkerheter och eventualförpliktelser

Ställda säkerheter

	2022-12-31	*2021-12-31*
Ställda säkerheter	*Inga*	*Inga*

Eventualförpliktelser

Bolaget har övriga eventualförpliktelser som uppgår till 271 Tkr (271 Tkr).

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Not 30 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsårets slut.

Not 31 Hållbarhetsrapport

Företaget lämnar ingen hållbarhetsrapport, enligt 6 kap. 10§ ÅRL. Moderföretaget upprättar rapporten, Recticel S.A / N.V. med organisationsnummer 0405 666 668 med säte i Bryssel, Belgien. *Hållbarhetsredovisningen för Recticel S.A / N.V. finns tillgänglig på moderföretagets hemsida* www.rectivel.com

Not 32 Koncernuppgifter

Den största koncernen som bolaget tillhör är Recticel S.A/N.V med dotterbolag.

Inköp och försäljning inom koncernen
Av koncernens totala inköp och försäljning mätt i kronor avser 15,4% (38,8%) av inköpen och 10,2% (3%) av försäljningen andra företag inom hela den företagsgrupp som koncernen tillhör.

Bolag Recticel S.A/N.V org nr 0405 666 668 med säte i Bryssel, Belgien, är det moderföretag som upprättar koncernredovisning. Recticel AB är ett helägt dotterföretag till Recticel S.A/N.V. *Koncernredovisning för Recticel S.A/N.V. finns tillgänglig på moderföretagets hemsida* www.recticel.com

Not 33 Nyckeltalsdefinitioner

Nettoomsättning:
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster:
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Avkastning på eget kapital (%):
Resultat efter finansiella poster i procent av justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt).

Soliditet:
(Totalt eget kapital + (100 % - aktuell bolagsskattesats av obeskattade reserver)) / Totala tillgångar.

Underskrifter

Gislaved 2023- 06-30

Bradford Beauchamp
Styrelseordförande

Peter Munlz
Styrelseledamot

Frank Sander
Styrelseledamot

David Hulley
Styrelseledamot

Fredrik Johansson
Styrelseledamot

Helen Slmar
Styrelseledamot

Vår revisionsberättelse har lämnats 2023-

Öhrlings PricewaterhouseCoopers AB

Magnus Nilsson
Auktoriserad revisor

20230711231138

20230712231309

Recticel AB
556152-2748

Underskrifter

Gislaved 2023- 06 -30

Bradford Beauchamp
Styrelseordförande

Peter Muniz
Styrelseledamot

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Underskrifter

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Vår revisionsberättelse har lämnats 2023-

Öhrlings PricewaterhouseCoopers AB

Magnus Nilsson
Auktoriserad revisor

20230712123

Underskrifter

Gislaved 2023-06-30

Bradford Beauchamp
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Vår revisionsberättelse har lämnats 2023-

Öhrlings PricewaterhouseCoopers AB

Magnus Nilsson
Auktoriserad revisor

20230712231112

Underskrifter

Gislaved 2023-

Bradford Beauchamp
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Styrelseledamot

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Styrelseledamot

Helen Simar
Styrelseledamot

Vår revisionsberättelse har lämnats 2023-

Öhrlings PricewaterhouseCoopers AB

Magnus Nilsson
Auktoriserad revisor

20230711231134

Revisionsberättelse

Till bolagsstämman i Recticel AB, org.nr 556152-2748

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Recticel AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Recticel ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Recticel AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Recticel AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Recticel AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

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Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Recticel AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Jönköping den 30 juni 2023

Öhrlings PricewaterhouseCoopers AB

Magnus Nilsson
Auktoriserad revisor

RECTICEL
The passion for comfort

Sustainable progress through insulation

2022 Integrated Annual Report



The FSC® certification provides an assurance that the wood and paper used for this annual report have been harvested in a socially and environmentally responsible manner. The FSC's Chain of Custody certification provides a way in which the material can be tracked from the certified initial source through the manufacturing process to the end user.

RECYCLED
Made from recycled material
FSC® C006551

We are Recticel

Recticel is a pure play insulation company with an unwavering focus on the fight against climate change. Through a comprehensive range of high-quality products, we contribute to the reduction of global greenhouse gas emissions.

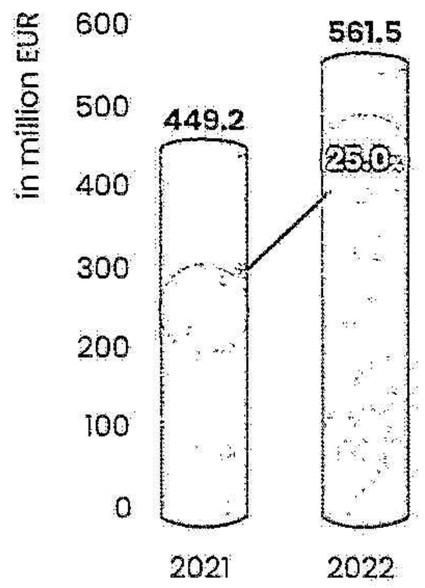
We design solutions that contribute to a carbon-free economy and a better life for current and future generations. Our thermal insulation boards work behind the scenes to make buildings more energy-efficient and more comfortable. We develop insulated panels that enable the highest aesthetic standards and offer endless architectural possibilities. We also provide vacuum insulated panels to support cold chain activities in industries ranging from food to pharma. Our easy-to-install thermo-acoustic boards significantly reduce airborne noise in rooms.

Our goal is to become a net zero emission company on Scopes 1 and 2 by 2030, and to reach net zero on Scope 3 by 2050.

To guarantee maximum performance – from our people and our solutions – we foster a diverse, stimulating and caring workplace. Our experts are proud to provide customer services and support that are second to none. We build valuable partnerships with other companies, global organisations, customers and talents to take concrete action with tangible results. As global citizens, we are responsible, accountable and fully engaged in creating a desirable future for everyone.

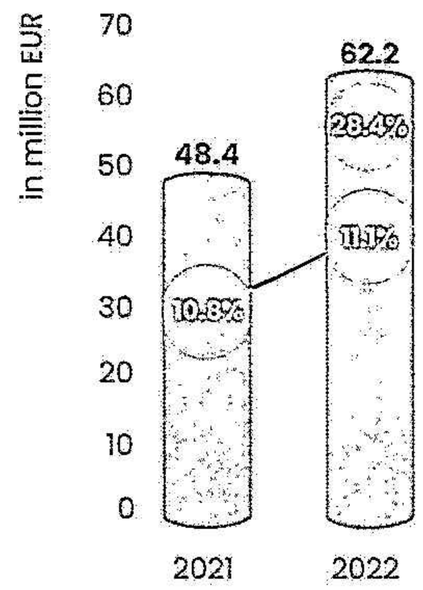
Financial indicators[1]

Consolidated Net Sales



◯ Consolidated Net Sales ◯ annual growth rate

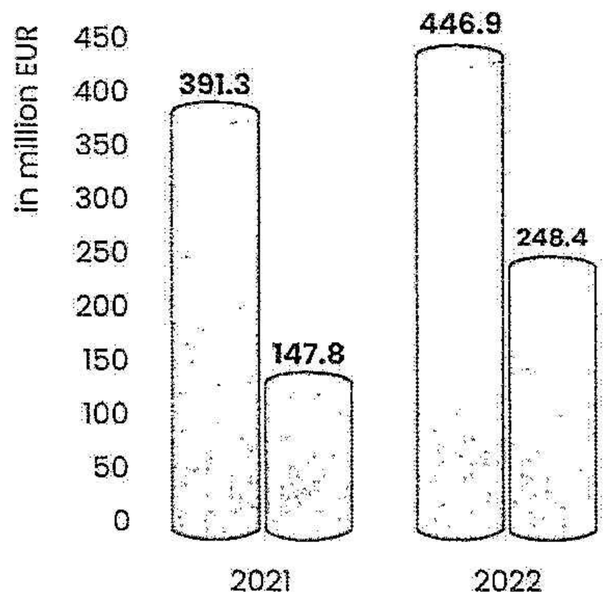
Adjusted EBITDA



◯ Adjusted EBITDA ◯ Adjusted EBITDA as % of net sales

◯ annual growth rate

Total Equity versus Net Financial Debt



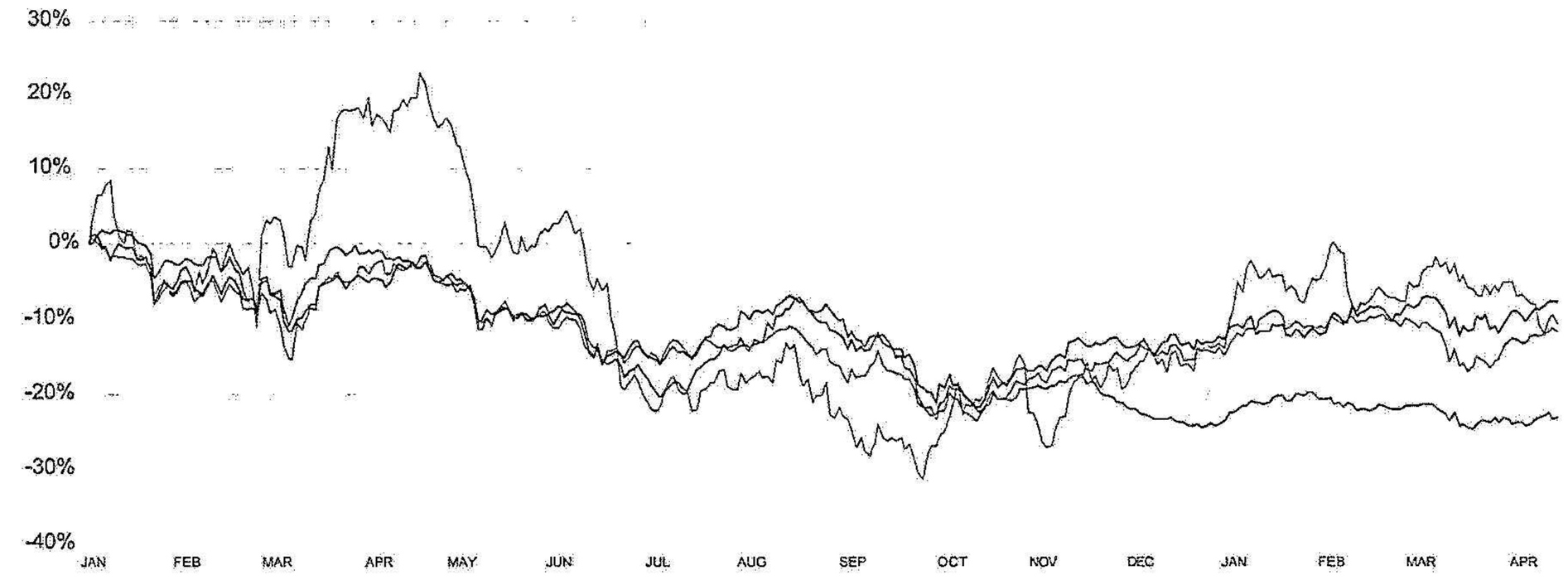
◯ Total Equity ◯ Net Financial Debt

RECT LISTED EURONEXT

Recticel (Euronext™: RECT.BE – Reuters: RECTI.BR – Bloomberg: REC.BB) is listed on the Euronext ™ stock exchange in Brussels and is part of the BEL Mid® index.
Index weighting: 1.83% - situation 25 April 2023

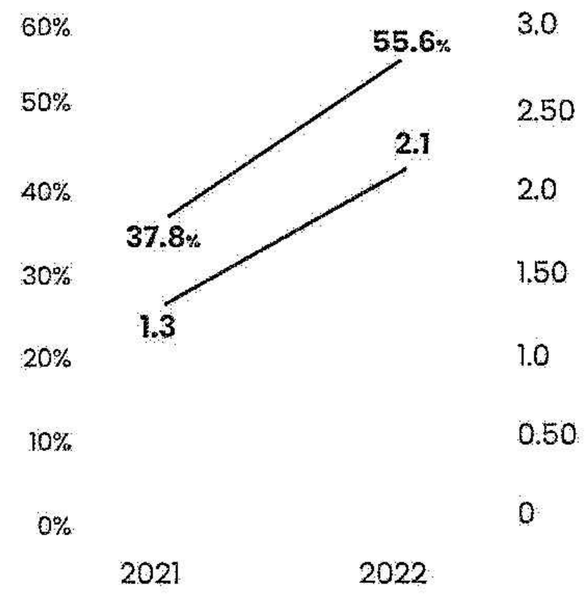
[1] The Engineered Foams activities which are in the process of being divested, have been accounted for as Discontinued Operations (IFRS 5). For comparison purpose the 2021 figures have been restated accordingly. The Slovenia-based Trimo d.o.o. has been fully consolidated as of 1 May 2022.

Share Price Evolution vs BEL20, BEL Mid, BEL Small (period 01.01.2022-19.04.2023)



-10.5% Recticel -11.6% BEL20 -7.6% BELM -23.2% BELS

Gearing and Leverage Ratio[2]

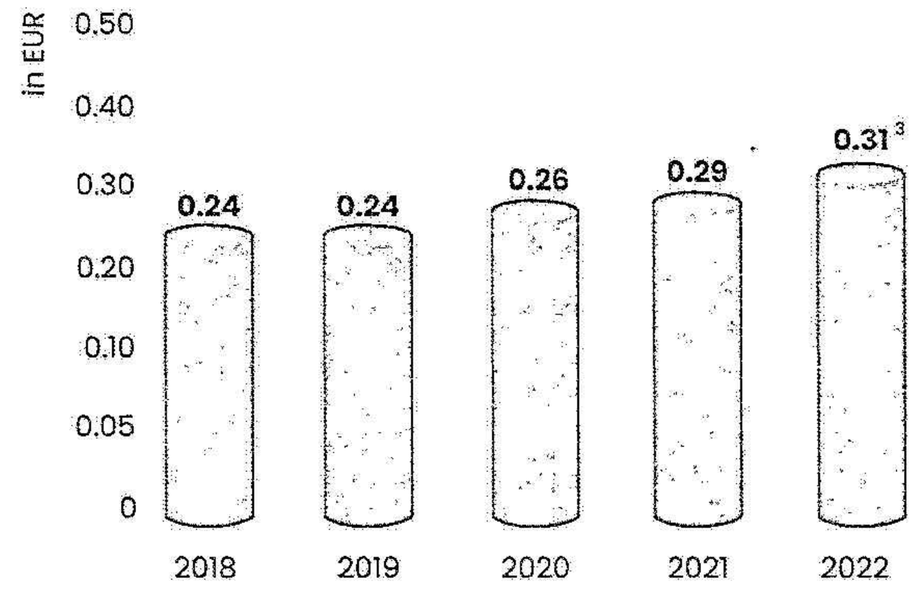


Gearing Leverage

[2] incl. IFRS 16
gearing: net financial debt / total equity
leverage: net financial debt / EBITDA

The pro forma leverage ratio = Net financial debt (after application of IFRS 5) divided by the sum of (a) (EBITDA (last 12 months) (before application of IFRS 5) and (b) EBITDA (last 12 months) of the recently acquired company Trimo. This pro forma leverage ratio is a better comparable.

Gross Dividend per Share (5 yrs)



Gross Dividend per Share

[3] Subject to approval of the profit appropriation by the General Meeting of 30 May 2023, a dividend of EUR 0.31 gross will be paid per ordinary share, or EUR 0.217 net (-30% withholding tax). This dividend will be payable from 05 June 2023. KBC Bank acts as paying agent. Payments for the registered shares will take place via bank transfer to the shareholders' bank accounts.

For more info: see Financial Statement: 5.2.6.10

Sustainability indicators[4]

OUR RACE TO NET ZERO EMISSIONS

2022 CLIMATE ACTION PLAN

Indicators	2021	2022	Δ	Δ %
GHG Indicators (tCO_2e)				
Scope 1 (CO_2e emissions)	5,418	4,858	-560	-10.3%
Scope 2 (CO_2e emissions)	4,820	4,230	-590	-12.2%
Electricity (location based)	4,733	4,154		
Electricity (market based)	0	0		
District heating (location based)	87	76		
Scope 3 (CO_2e emissions)	841,981	842,374	393	0.0%
Renewable Energy Indicator (MWh)				
Photovoltaic energy consumption	710	2,904	2,194	308.9%
Photovoltaic energy production on-site	760	4,287	3,527	464.3%
Water Consumption Indicator (m^3)				
Municipal water	15,099	13,427	-1,672	-11.1%
Groundwater (no water stress area)	1,249	2,596	1,347	107.8%
Intensity Indicators				
Carbon intensity Scopes 1+2 ratio tCO_2e Scopes 1+2/m^3 sales volume	3.2	2.8		-12.3%
Carbon intensity Scopes 1+2+3 ratio tCO_2e Scopes 1+2+3/m^3 sales volume	264.9	261.3		-1.4%
Energy intensity (kWh/m^3) ratio kWh energy consumed /m^3 sales volume	16.34	14.56		-10.9%

Targets SBTi

Net zero Scopes 1, 2 by 2030

-25% reduction Scope 3 by 2030

Net zero Scopes 1, 2, 3 by 2050

[4] All our emissions are calculated according to the Greenhouse Gas Protocol methodology for the full scope of our insulation activities. The emissions from Trimo d.o.o., which is part of Recticel since 1 May 2022, are included and calculated for the full years 2021 and 2022. For more information see Chapter 4.1 (Environmental Statement) of this report. PwC limited assurance, see Chapter 6.1..

2022 PEOPLE & SOLUTIONS PLAN

Safety[5]	2021	2022	TARGET 2025
Frequency 1 (number of Lost Time Accidents x 1 million / number of hours performed)	1.95	4.82 (+147% vs 2021)	≤ 2
Frequency 2 (number of [Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases] x 1 million / number of hours performed)	9.75	12.53 (+28 % vs 2021)	≤ 5

Gender Diversity[5]	2021	2022	TARGET 2030
% Women in management position (≥ Hay Grade 18)	16%	14%	25%

e-Learning participation[5]	2021	2022	TARGET MIN.
Cybersecurity modules	96%	93%	95%
Governance modules (ethics policy, competition law, contract law)	94%	96%	95%

[5] Recticel Insulation Boards + IHQ + offices. Trimo Insulated Panels will be included as of 2023. PwC limited assurance, see Chapter 6.1

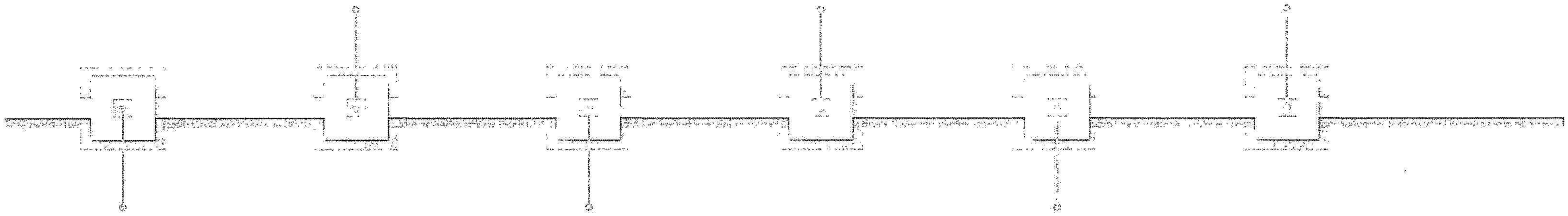
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2022 and early 2023: milestones in our transition

21 March 2022
- Signing of acquisition of insulated panel specialist Trimo d.o.o.

29 April 2022
- Closing of Trimo d.o.o. acquisition.

02 June 2022
- Recticel wins Trends Deal of the Year 2022 award.



28 February 2022
- Baltisse NV buys 22.6% of Recticel shares from Greiner AG. On 15 June, the shareholding increased further to 27.16%.

31 March 2022
- Closing of divestment of Bedding business line to Aquinos Group.

20 May 2022
- Sale of remaining 25% participation in Proseat JV to Sekisui.

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02 September 2022
- UK Competition and Markets Authority (CMA) fast-tracks its process to approve Carpenter's acquisition of Engineered Foams.

18 July 2022
- Divestment of Engineered Foams business referred for Phase 2 investigation by UK Competition and Markets Authority (CMA).

25 November 2022
- Recticel-Carpenter deal wins M&A Award Belgium.

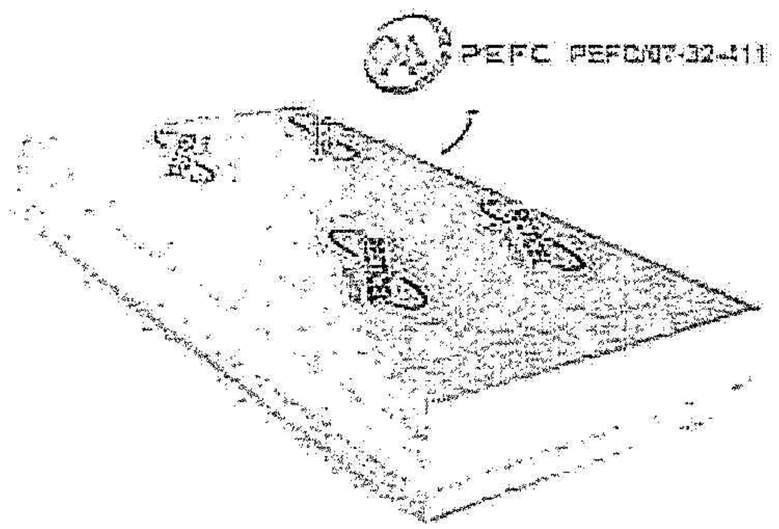
20 October 2022
- Recticel joins the Science-Based Targets initiative (SBTi), committing to net zero emissions for Scopes 1 and 2 by 2030, and for Scope 3 by 2050.

2024020201859

Highlights of 2022 and early 2023

02

February 2022
Our high-performance thermal insulation boards are now offered with multilayer paper facings from wood fibres sourced from PEFC-certified and sustainably managed forests.



08

August 2022
The Eurothane® Silver A thermal insulation board is certified by the globally recognised FM Approvals testing and certification programme for its excellent fire safety properties.

Our insulated panels are recognised by the BREEAM, LEED and DGNB certification programmes for their contribution to higher construction project sustainability ratings.

09

September 2022
Our insulated panels receive the BES 6001 Framework Standard for Responsible Sourcing certification from BRE Global.

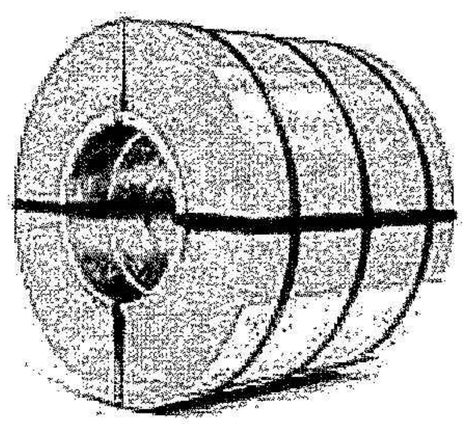
10

October 2022
Our insulation boards are used in the Cinquantenaire complex in Brussels, covering 27,000 m² of roof while conforming to 19th century building techniques.

CINQUANTENAIRE

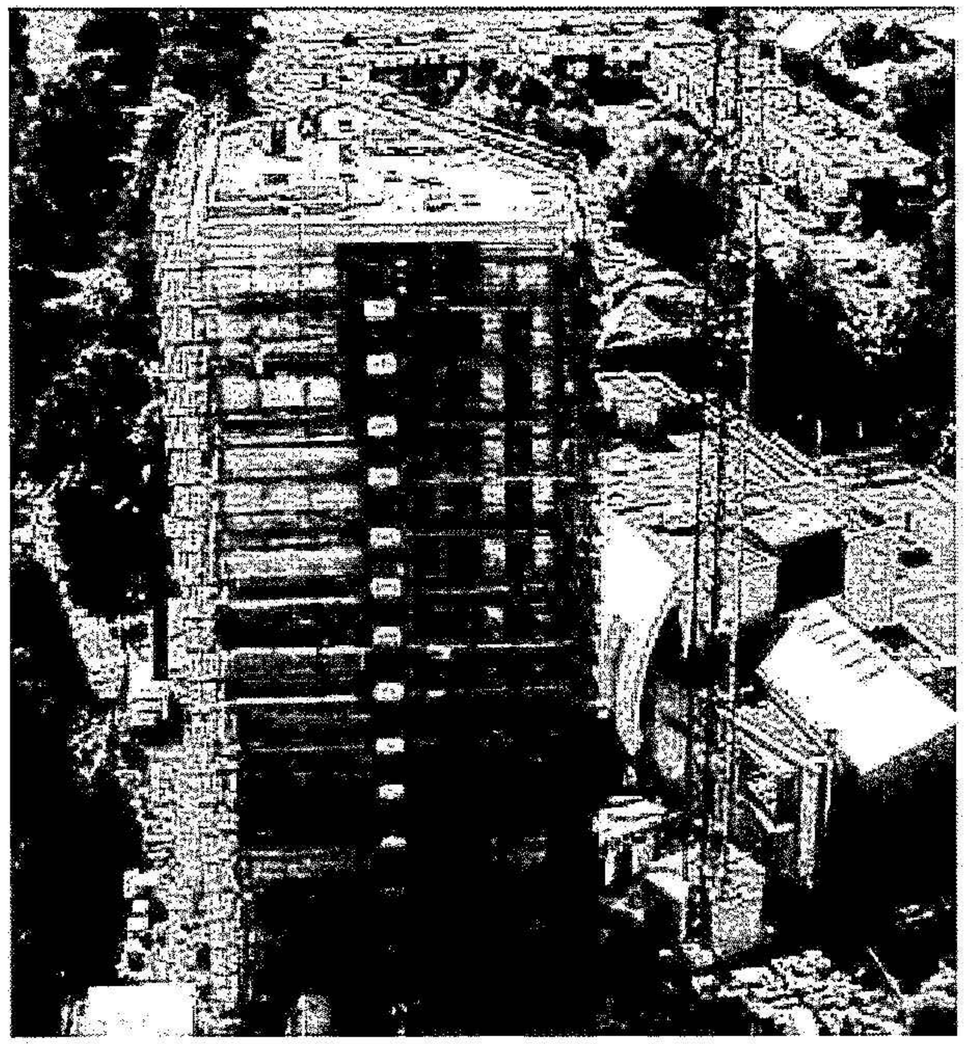
11

November 2022
Recticel teams up with Austrian manufacturer voestalpine AG to integrate its low-carbon greentec steel Edition in our insulated panels.



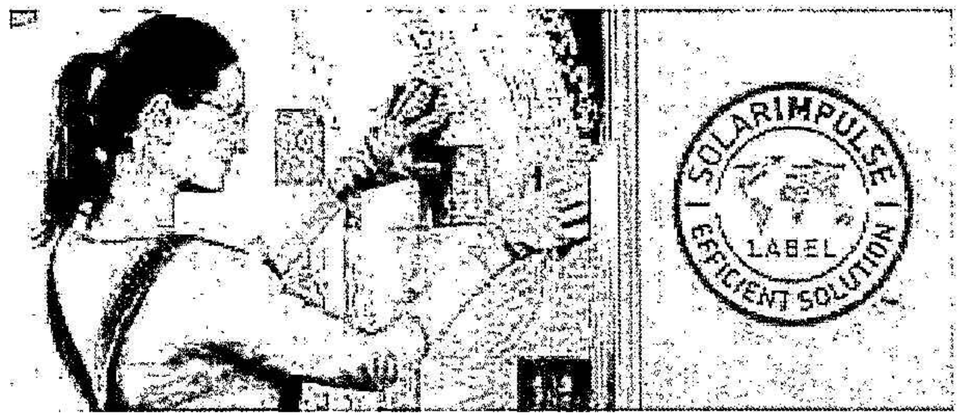
02

December 2022
Recticel partners with Living Tomorrow in Belgium to help build a new innovation campus that will become Europe's largest experimental lab concerning life, lodging and work.



01

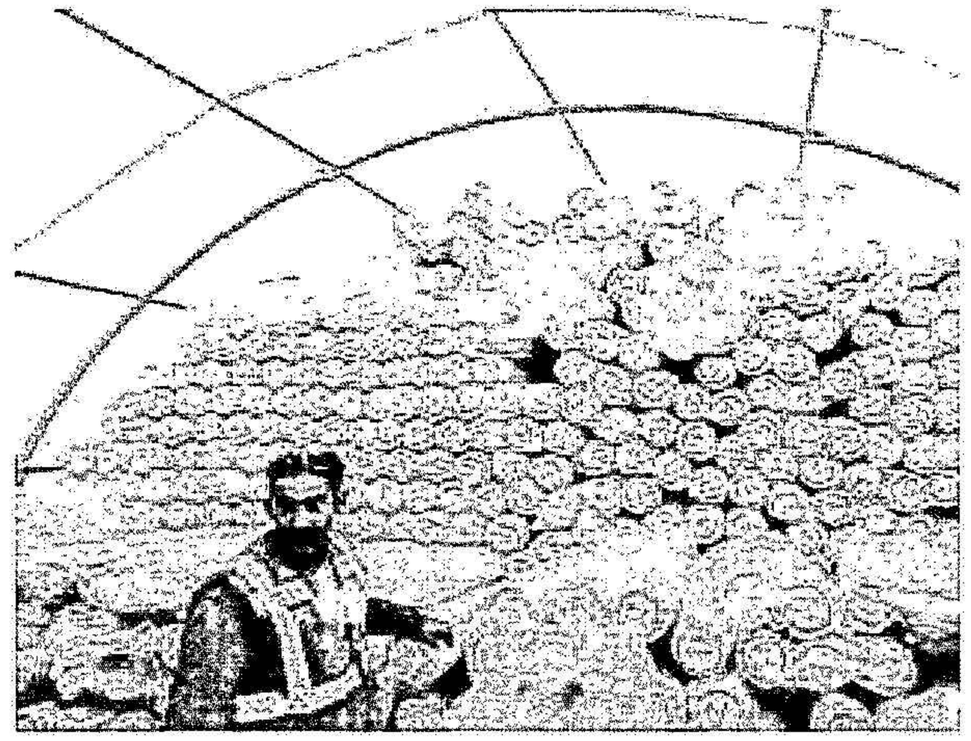
January 2023
Simfocor® thermo-acoustic boards receive the 'Solar Impulse Efficient Solution' certificate, a label awarded to products, services and processes combining credible environmental and economic performance.



The 2022 Recticel Insulation Boards Barometer takes a closer look at the energy consumption and greenhouse gas emissions of non-residential buildings, zooms in on those with high CO_2 emissions and investigates causes and solutions.

03

April 2023
Following the devastating earthquakes in Turkey and Syria in February, Recticel donates 1,000 mattresses to the people of Adıyaman, a highly impacted city in south-eastern Turkey.



04

March 2023
The PUReSmart project is successfully completed, proving that chemical recycling can transform the life cycle of flexible polyurethane from linear to a circular economy.

PUReSmart

About this report

This 2022 Recticel integrated report consolidating our financial and non-financial information has been partially structured around the draft European Sustainability Reporting Standards (ESRS) for Europe's Corporate Sustainability Reporting Directive (CSRD), that will replace the NFRD from 1 January 2024. We see this as the beginning of a shared journey towards more extensive and rigorous reporting in the coming years, as part of our commitment to solid impact and value creation for all our stakeholders.

In Chapter 2 of this report, you will find more explanation about our integrated reporting strategy as well as the new Directive and what it means for our business.

Chapter 3 explains the value we create through our business model, strategy and management of risks and opportunities. Chapters 4 and 5 contain our ESG (environmental, social, governance) and financial statements. The GRI content index can be found in Chapter 6.

This report is available online.
For greater insight into Recticel, visit our corporate website: **www.recticel.com**



2024020201862

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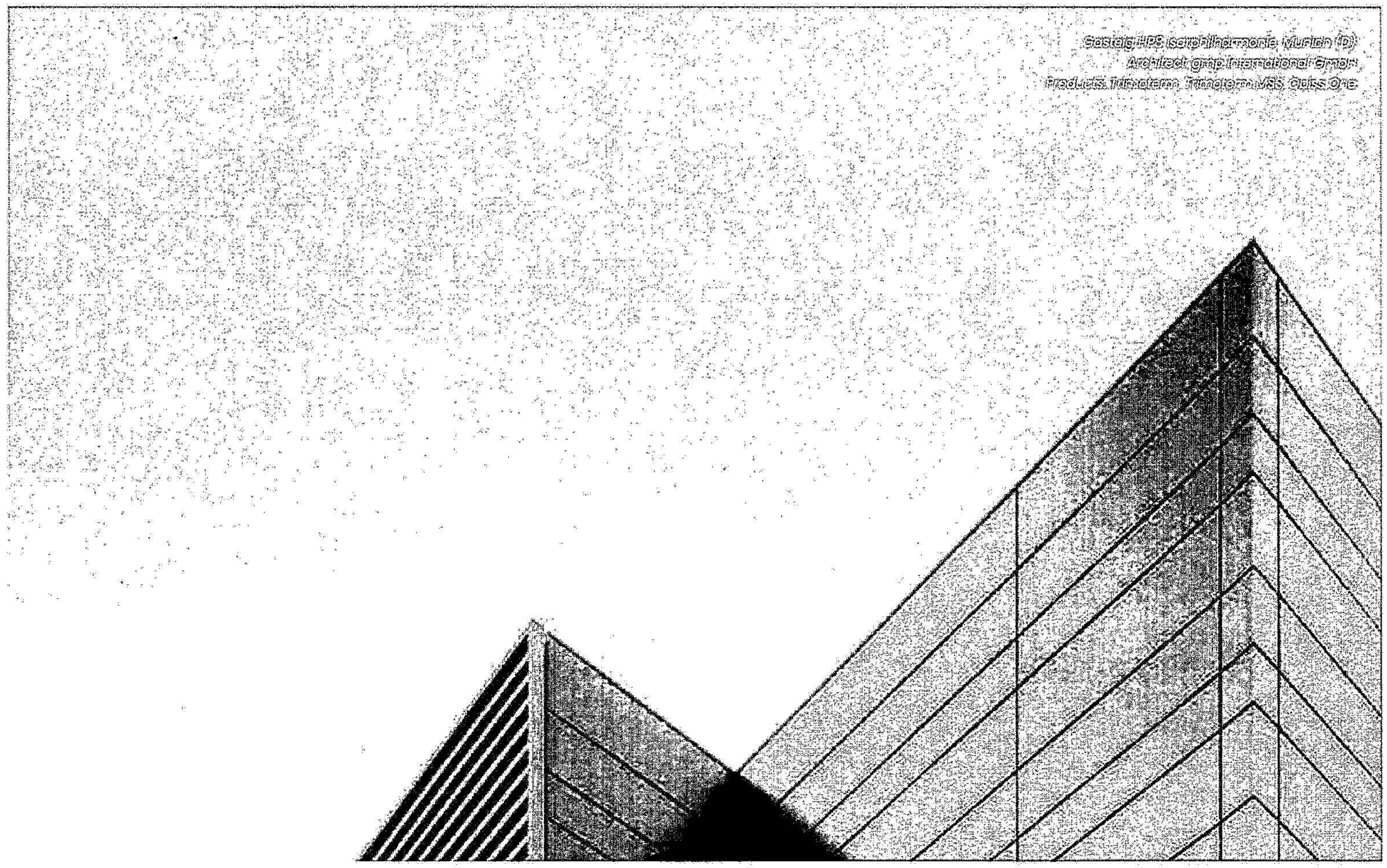
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RECTICEL TODAY AND TOMORROW

WHO WE ARE



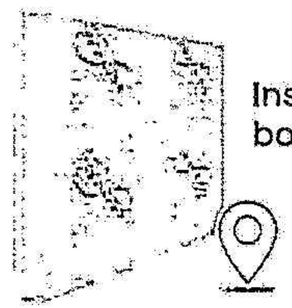
Recticel is a dedicated manufacturer of insulation products with headquarters in Belgium and operations in 9 facilities spread over 6 countries.

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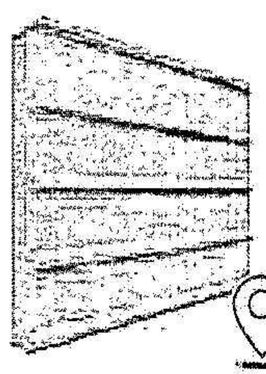
With 70 years of experience and a pioneering role in the insulation industry, we are a well-known and respected brand across Europe. However, coming at the end of a period of strategic transformation, this is our first Annual Report as a pure player in insulation. Following completion of the acquisitions and divestments announced in last year's Annual Report, we are focusing our attention and expertise on the insulation business that makes an important contribution to a world that is increasingly driven by the energy transition and the need to safeguard our planet's future.



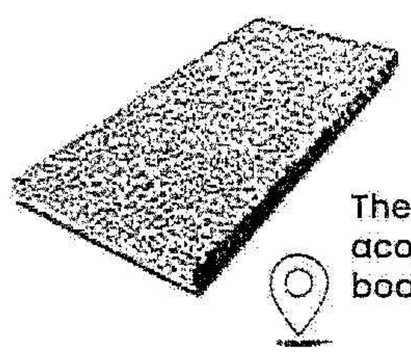
Vacuum insulated panels



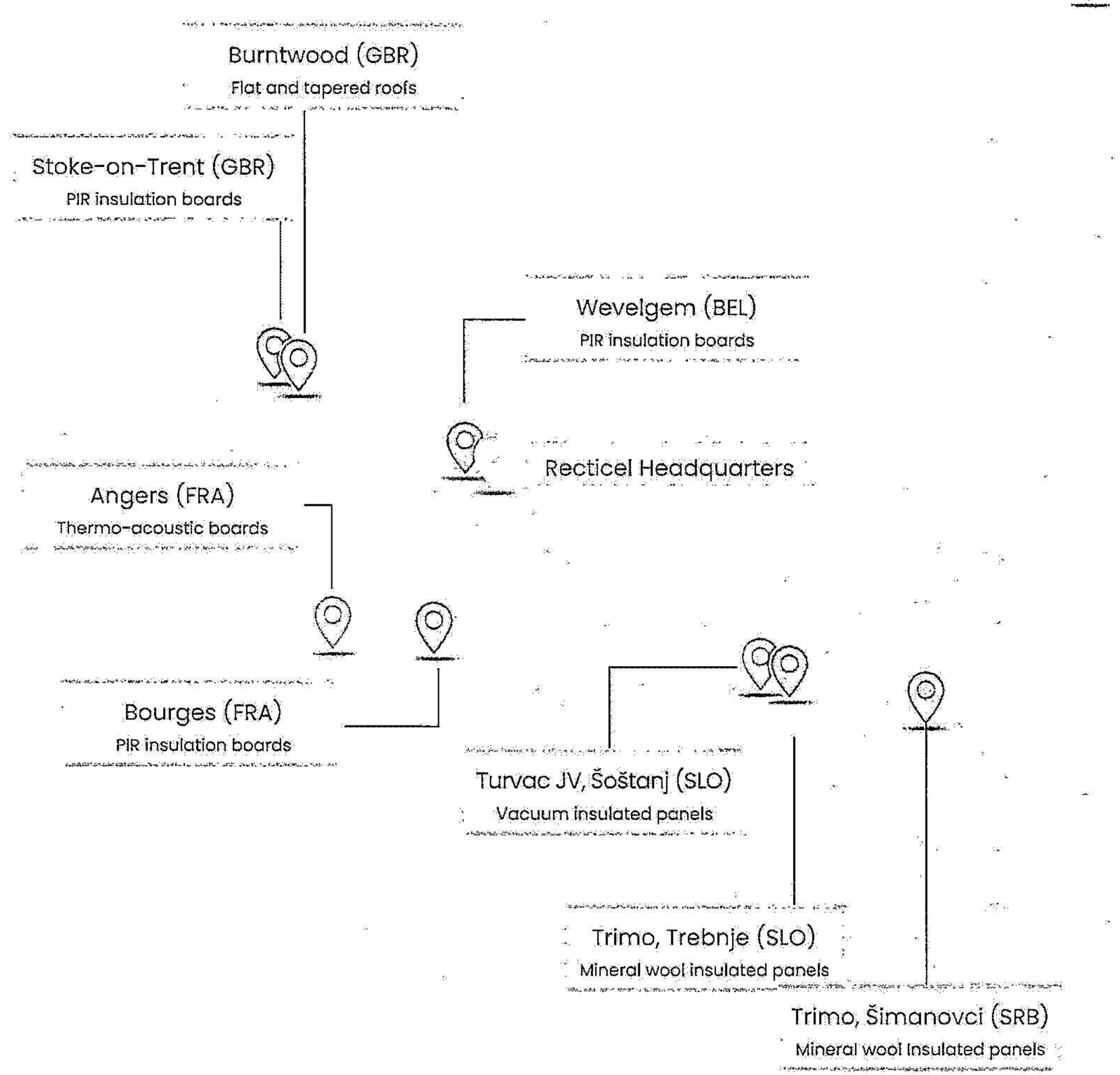
Insulation boards



Insulated panels

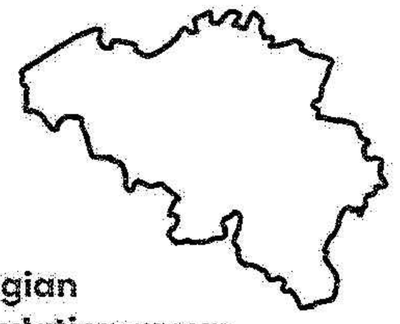


Thermo-acoustic boards

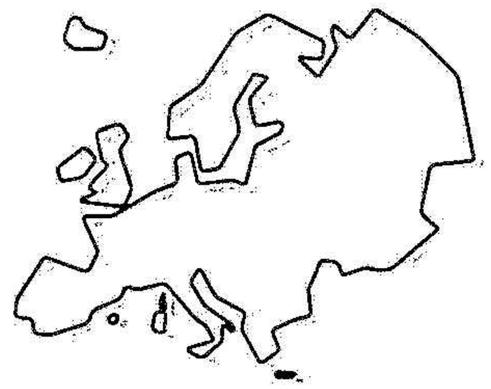


Recticel at a glance

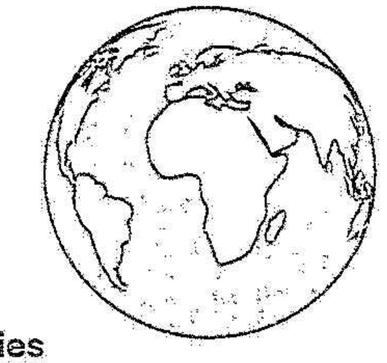
As of 31.12.2022 [1]



Belgian insulation group

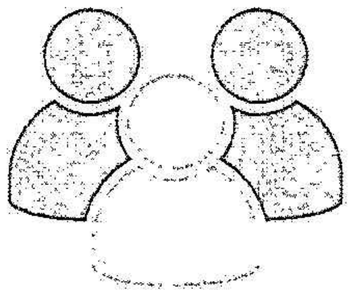


Strong presence in Western and Eastern Europe



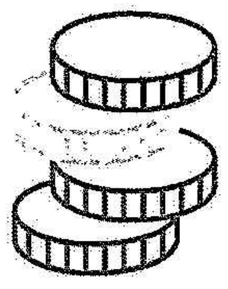
9
operation facilities spread over

6
Countries

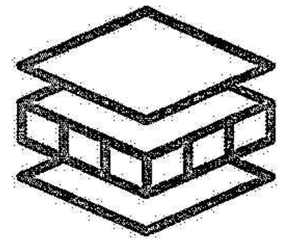


1,234
employees

561.5
Sales in Million €



4



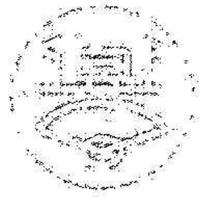
Insulation activities

- Insulation boards
- Insulated panels
- Vacuum insulated panels
- Thermo-acoustic boards

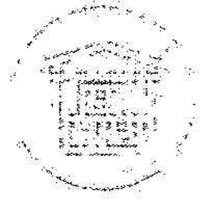
Applications



Residential building



Sport



Logistics & warehousing



Commercial



Manufacturing

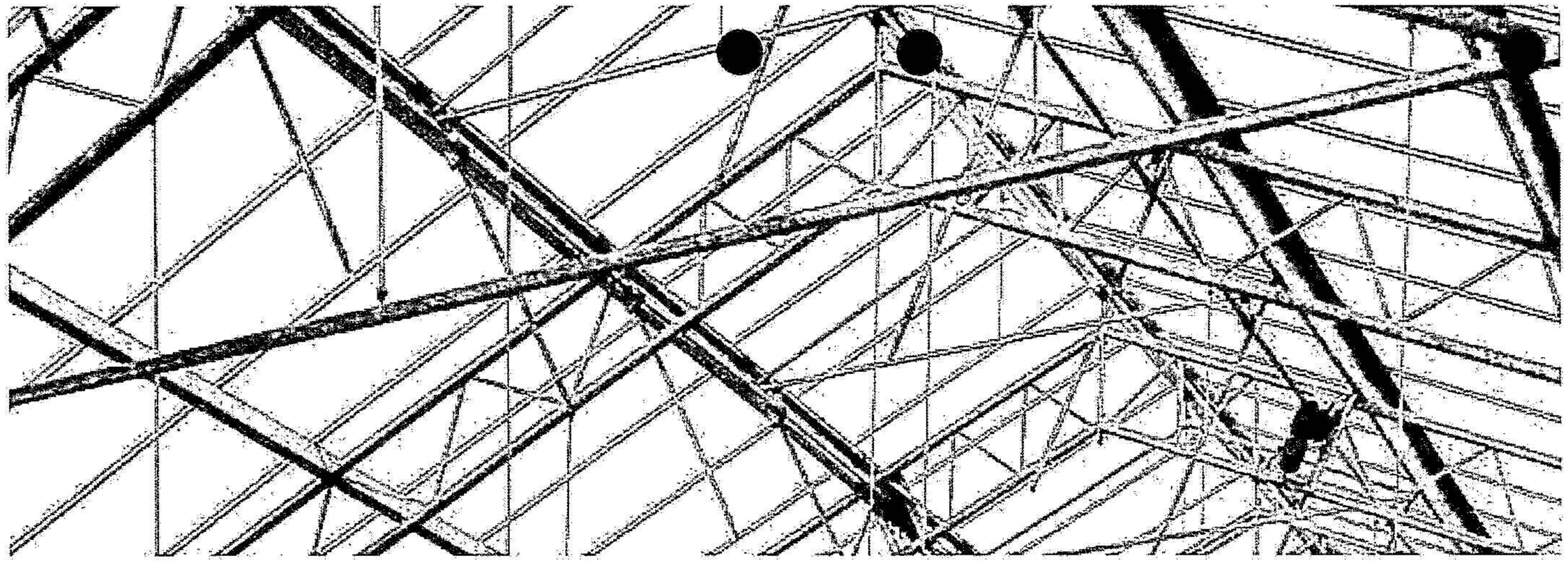


Offices

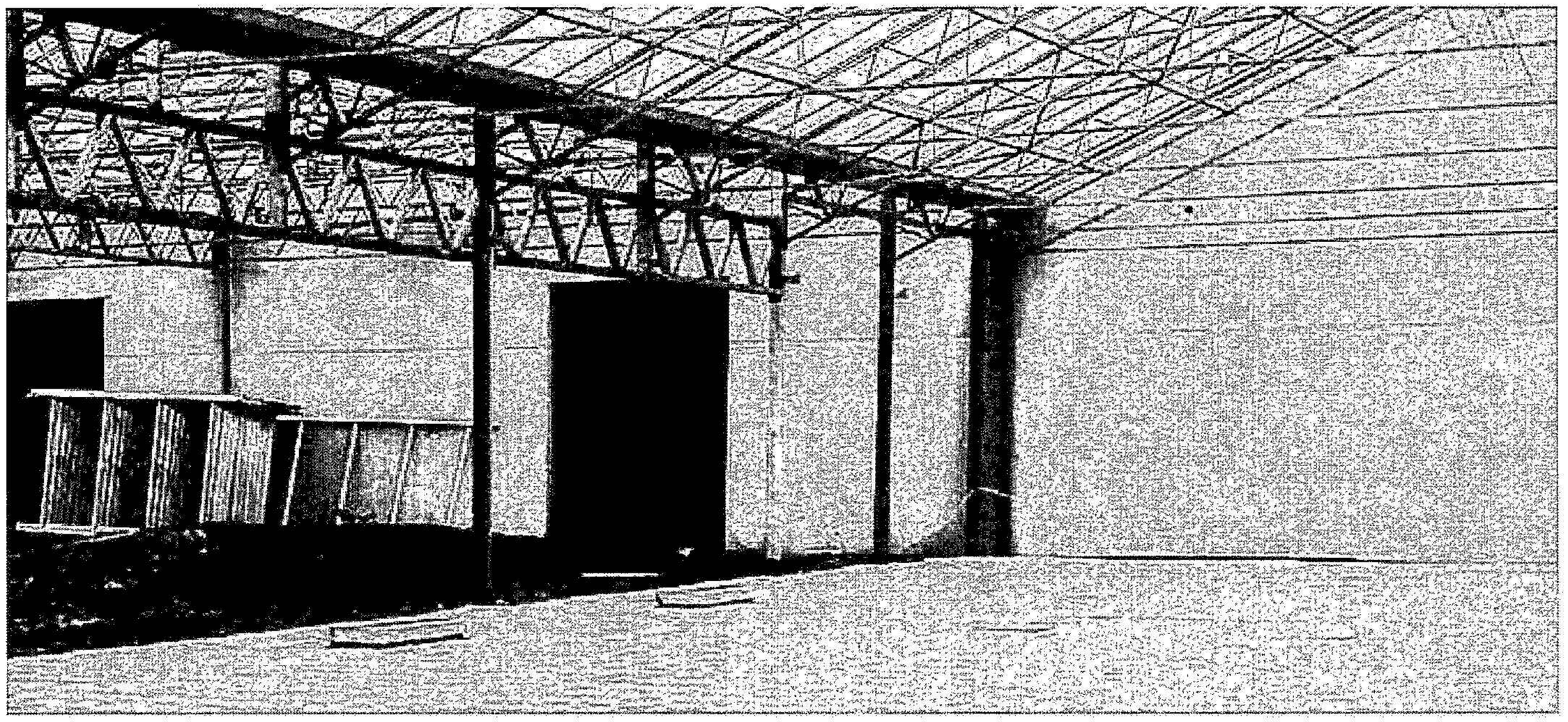


Special projects

[1] *Excluding discontinued activities*



WHY INSULATION?



As a specialised insulation company, Recticel is in a position to unlock significant value for all its stakeholders. Our recent strategic transactions have enabled us to focus on a market with solid long-term fundamentals, presenting strong potential for our shareholders. For investors, our new positioning offers limited cyclicality and better visibility. For our communities and the planet, it has allowed us to further refine our ESG targets and intensify our efforts to meet them.

Sustainable progress through insulation



Recticel's sustainability journey began in 2013 and we have repeatedly updated our objectives with more ambitious targets. For many years, we have promoted thermal and acoustic insulation as a key 'weapon' in the fight against climate change, due to its impact on energy conservation, emissions reduction, indoor climate management and improved living standards.

In 2023, our ESG strategy is based on two pillars: Our Race to Net Zero and Our Race to Maximum Performance.[2]

Our **Race to Net Zero** is a detailed plan for Recticel's short-term and long-term fight to mitigate global warming. Based on clearly defined materiality topics and KPIs, it will ensure that we maximise our positive climate impact, boost circular efficiencies and, at the same time, sustain our competitiveness.

In October 2022, we formalised our commitment to a net zero economy by joining the Science Based Targets initiative (SBTi), a global project driving concrete action by enabling organisations to set emission reduction targets that are grounded in climate science. We have committed to two targets: to become a net zero emission company on Scopes 1 and 2 by 2030; and to reach net zero on Scope 3 by 2050 at the latest. Our roadmap to becoming a net zero company will be validated by SBTi in 2023.[3]

Our **Race to Maximum Performance** is our blueprint for maximising the contribution of our people and solutions. Also underpinned by relevant materiality topics and KPIs, it sets out targets in areas such as safety, training, diversity and employee satisfaction. The plan also outlines our goals for product certifications, eco-design principles and sustainability practices at work.

As a further demonstration of our commitment to concrete and transparent action, we have already begun our journey towards the new reporting guidelines of the Corporate Sustainability Reporting Directive (CSRD), which will come into force in 2024 with the first report in the new framework required in 2025.[4]

[2] Details of these two plans and their role in our value creation model are provided in Chapter 3.2.5 of this report.
[3] For more information about our net zero emissions commitments and what they mean, see Chapter 4.1 of this report (Environmental Statement).
[4] See Chapter 2.

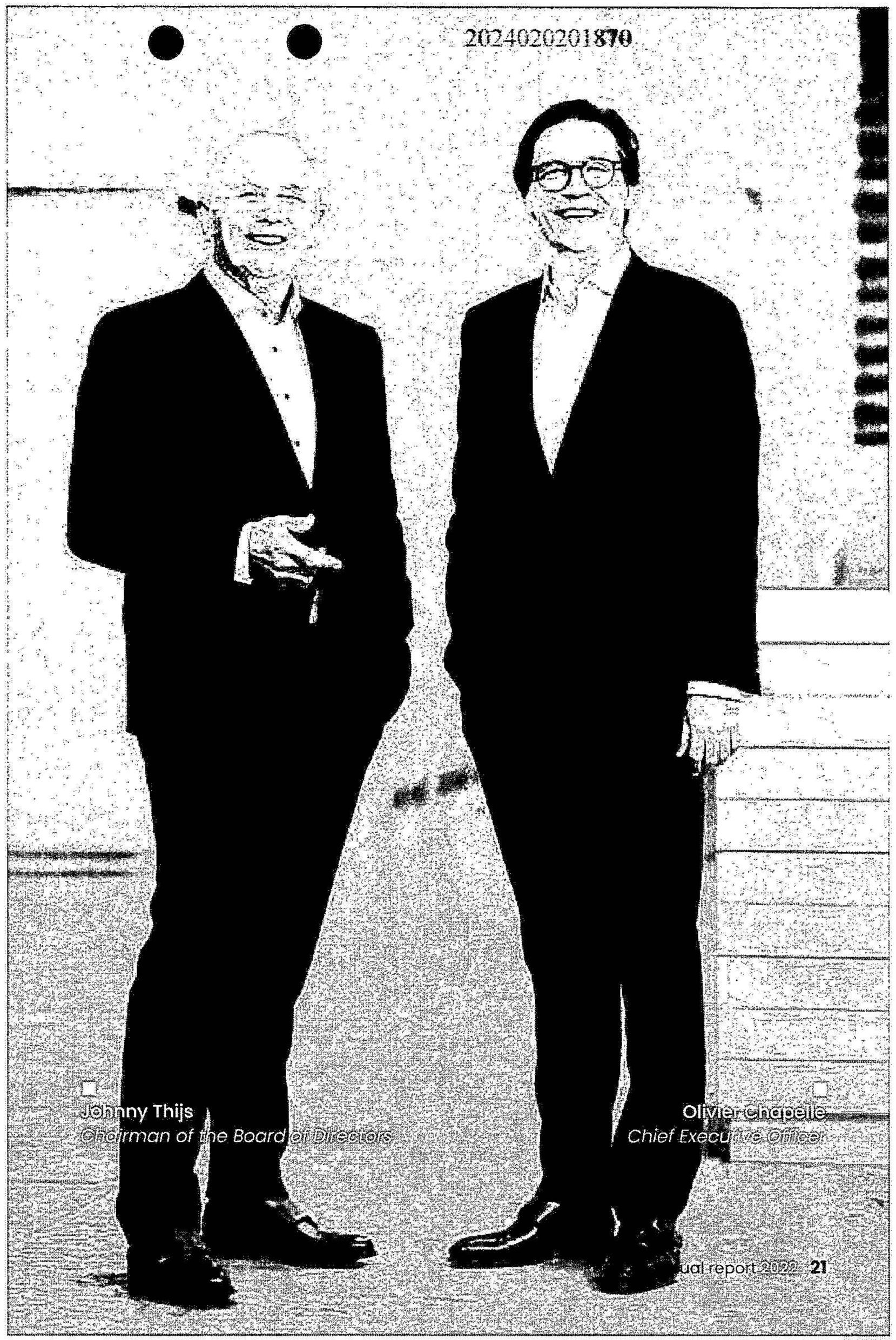
1.3 THE INTERVIEW

Johnny Thijs and Olivier Chapelle reflect on Recticel's performance during a year in which global economic uncertainty coincided with significant business transformation. They share their perspectives on the company's future as a pure player in insulation and its ambitious plans for sustainable and wide-ranging value creation.

2022 was another transformational year for Recticel. What were the highlights for you?

Yes indeed, 2022 was a very intense year during which critical transformation steps took place, requiring hard work and dedication from our employees and teams, including those being 'divested'. It started with the closing of the divestment of our Bedding activities to Aquinos on 31 March 2022, following the signing of the contract on 28 December 2021. After that, we closed the acquisition of Trimo on 30 April 2022, a deal that we had signed only six weeks previously on 22 March. As a reminder, Trimo is a Slovenian company active in mineral wool insulated panels. And lastly, on 20 May 2022 we exercised our PUT option on Sekisui Kasei related to the remaining 25% participation that Recticel owned in Proseat, a German company active in PU automotive seating cushions.

In parallel, our teams worked intensively throughout the year to prepare for the closing of the divestment of our Engineered Foams activities. When that operation is finalised, Recticel will become a pure play insulation company.



Are you happy with the performance of the company in 2022, and were there any disappointments?
First of all, we believe that Recticel's Insulation activities performed quite well in a market that was impacted by the consequences of the war in Ukraine. Our volumes have held up relatively well in a progressively softer market, and Insulation Boards have delivered their second best year ever. Trimo has generated its best year on record!

We are also satisfied with all transformation steps that were concluded in 2022, even though it is difficult to say goodbye to employees and colleagues who have been part of Recticel for a long time and whose commitment to the company has never faltered. On the other hand, we were glad to welcome our new Trimo colleagues.

Of course we were disappointed not to have closed the divestment of the Engineered Foams business in 2022. More specifically, it was frustrating to have to go through a phase II investigation by the United Kingdom's anti-trust authorities regarding the remedies identified to allow the main transaction to close. In the end, we had to accept it, and accommodate.

Speaking of Trimo, how important is this acquisition for Recticel ?
We are confident that we hit the right target with the acquisition of Trimo. The company is highly respected for its quality, its service and the performance of its products. It has an entrepreneurial spirit, and a real 'can do' mentality. The combination of these elements enables Trimo to perform really well and to deliver quality results! In addition, Trimo is very well located, with a high-performance asset base.

Moreover the strategic fit with Recticel's other insulation activities is excellent. Trimo addresses the industrial segment with its insulated panels, a product which combines structural strength with thermal insulation properties, while Recticel was essentially addressing the residential market with its insulation boards. So we have perfect segment complementarity.

The war in Ukraine and the resulting energy crisis have had huge repercussions for businesses across Europe. How did these factors impact Recticel?
The war in Ukraine is having significant repercussions for the European construction market in which Recticel is a player. The growing uncertainty is leading to cancellations or deferrals of existing and planned projects. In addition, volumes are under the pressure of a double squeeze: on the one hand, inflation and rising interest rates are reducing the disposable income of households, and on the other hand, project costs have substantially increased due to high inflation on building materials.

With regard to the cost impact of the war, labour and transportation cost inflation has been substantial and is weighing on margins. The rising cost of energy has had the biggest impact on our suppliers, who have passed it on to us in the prices of the raw materials that we purchase from them.

And lastly, it reduces visibility of the future. It is difficult to evaluate how dynamic the construction markets will be in 2024 and 2025. The only certainty is that the need for insulation material, per unit newly built or renovated, will continue to increase.

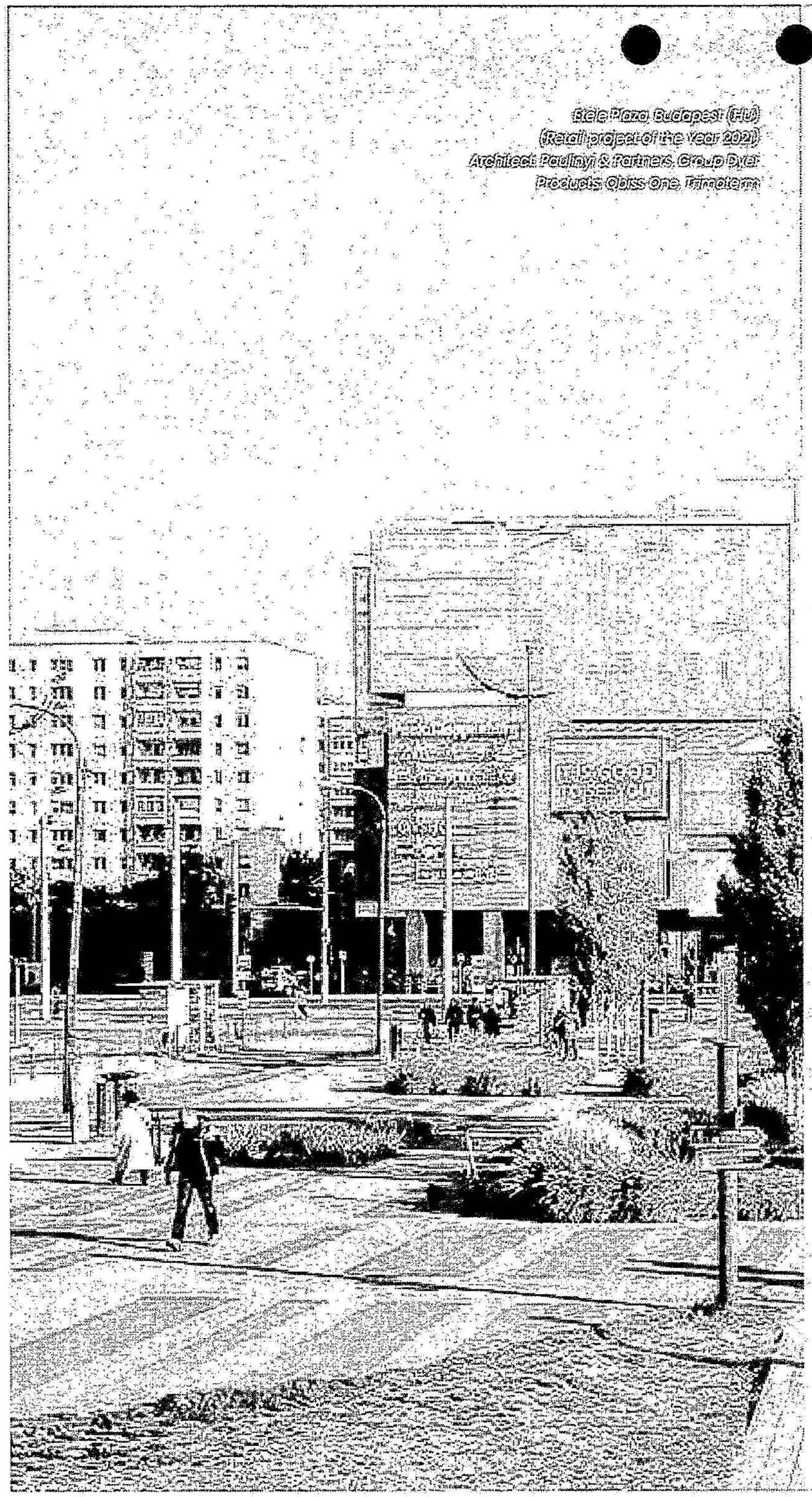
What is your vision of Recticel as a sustainable company in 2030 and 2050? What are the main challenges ahead?
Sustainability is part of our purpose. The use of all our products has a positive impact on the planet through the reduction of emissions in buildings, residential or industrial.

But in addition, we need to ensure that our own carbon footprint is brought to net zero. To that end, we applied to the SBTi (Science Based Target initiative) with a clear commitment to bring our emissions to net zero by 2030 on scopes 1 and 2, and by 2050 on scope 3. While we have a clear path to net zero on scopes 1 and 2, which pertain to our own perimeter, reaching the target on scope 3 requires full cooperation with our chemical, steel and mineral wool suppliers. They are all actively working on projects to reduce their emissions, and we have engaged with them in projects and programmes targeting the recycling of our products, enabling open or closed circularity.

How positive are you about the prospects for shareholders and investors, especially given the uncertain global economic forecast?
The Company is well positioned in product categories which participate in one of the most important megatrends – protecting the environment by reducing CO_2 emissions – and has shown agility and resilience in turbulent circumstances. We have well located and well invested facilities in all our segments, our products and services have a very good reputation on the market, and our balance sheet is solid. Our ambitions to grow have been communicated and we are working on executing them independently of the economic circumstances. The alignment between the Executive Management, the Board of Directors and our shareholders is very strong, which is an important factor for the development of the Company and all its employees.

We warmly thank our employees for their contribution and commitment in a period during which changes in Recticel have been profound and the geopolitical and economic environment has been increasingly uncertain. Likewise, we thank our customers for their business and partnership, and our shareholders for their continued trust, support and precious insights. We have welcomed and are happy to have Baltisse aboard as our new reference shareholder.

We are all working together to close the divestment of Engineered Foams and will leverage the newly created focus on insulation and sustainability to create value for our Company and all its stakeholders.



Etele Plaza, Budapest (HU)
(Retail project of the Year 2021)
Architect: Paulinyi & Partners Group Kft.
Products: Obiss One, Trimoterm

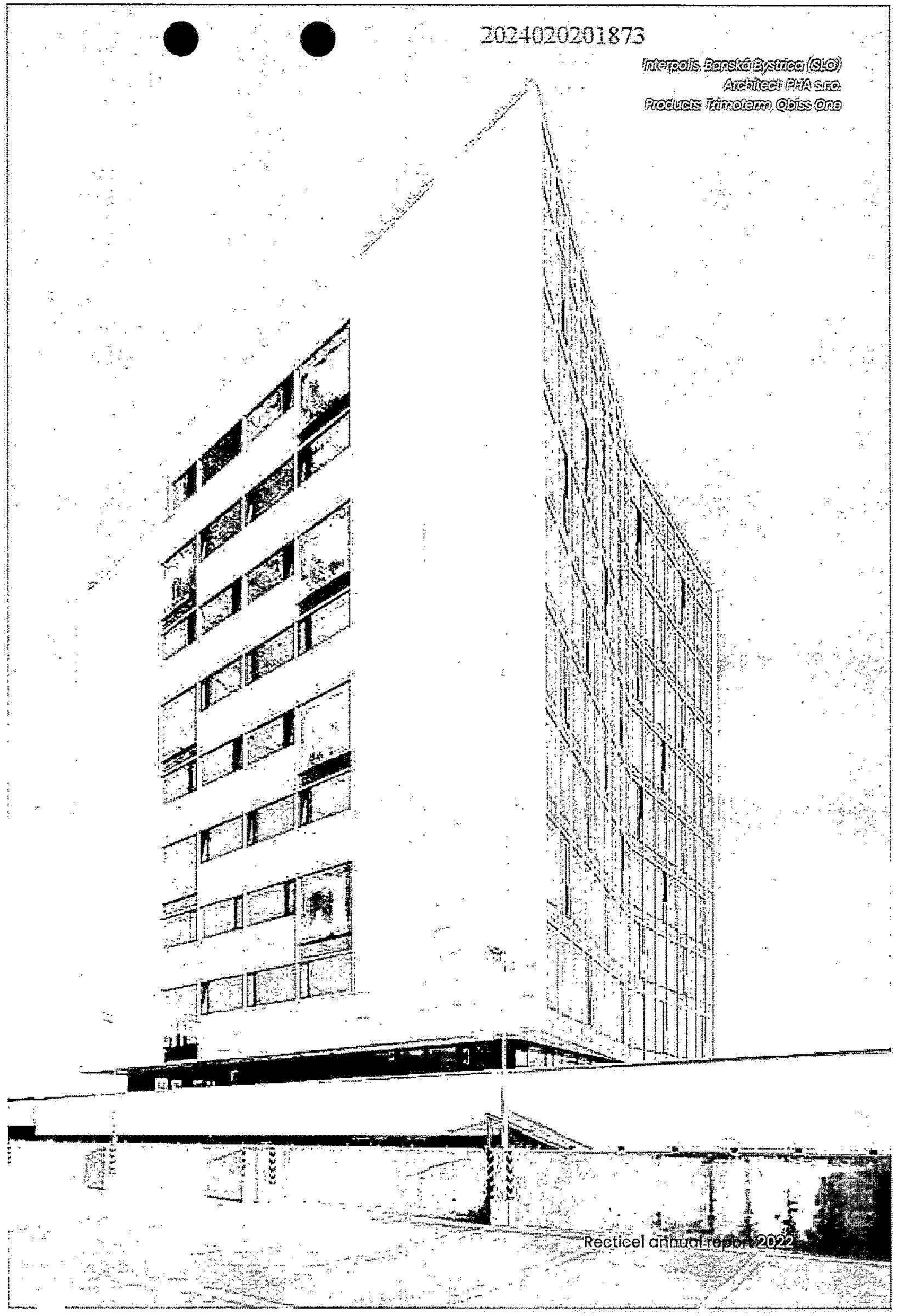
2.0 INTEGRATED REPORTING – OUR COMMITMENT TO VALUE FOR EVERY STAKEHOLDER

There is an increased demand for transparency with regard to reporting on the non-financial aspects of a business. In particular, there is a desire for clarity on the company's long-term direction and ability to sustain creating value in a competitive environment.

Recticel embraces comprehensive reporting to enable stakeholders to understand its most significant economic, environmental and social impacts and its contributions to sustainable development. Since 1997, the practice of sustainability reporting has been led by GRI (the Global Reporting Initiative). The GRI Standards and the Sustainable Development Goals (SDGs) have provided the frameworks for integrated reporting to comply with the Non-Financial Disclosure Directive (NFRD).[1]

On 21 April 2021, the European Commission adopted a proposal for a Corporate Sustainability Reporting Directive (CSRD). This new regulation, which will be rolled out in a phased approach from 2024, radically expands on the reporting requirements of the NFRD to increase the transparency of corporate progress in the area of sustainability. Its overall aim is to harness potential and position Europe as a forerunner in the transition to a fully sustainable and inclusive economic and financial system, in accordance with the European Green Deal and the UN Sustainable Development Goals.

[1] *See GRI content index in Chapter 6.3*



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ESG REGULATIONS

EU Taxonomy regulation
A classification framework establishing definitions and rules determining which economic activities qualify as sustainable.

EU Corporate Sustainability Reporting Directive (CSRD)
A directive designed to place sustainability and financial reporting on the same level, to ensure better transparency, consistency and reliability for stakeholders.

EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)
Regulation affecting the supply and use of chemical substanes with the aim of improving the protection of human health and the environment.

EU Sustainable Finance Disclosure Regulation (SFDR)
Disclosure requirements on organisational, service and product levels, mainly applying to European financial institutions.

This law enshrines the goal of reaching climate neutrality into legislation, with a legally binding target of net zero greenhouse gas emissions by 2050.

EU Global Human Rights Sanction Regime (HRSR)
Regime enabling the EU to target individuals, entities and bodies responsible for, involved in or associated with serious human rights violations and abuses worldwide, no matter where they occurred.

Corporate Sustainability Due Diligence Directive (CSDDD or CS3D)
Directive on obligations for companies to carry out due diligence to identify and address human rights and environmental adverse impacts, and to produce climate plans.

THE EU GREEN DEAL

Strategy to transition the EU economy to a sustainable economic model. The ultimate objective is the EU reaching climate neutrality by 2050.

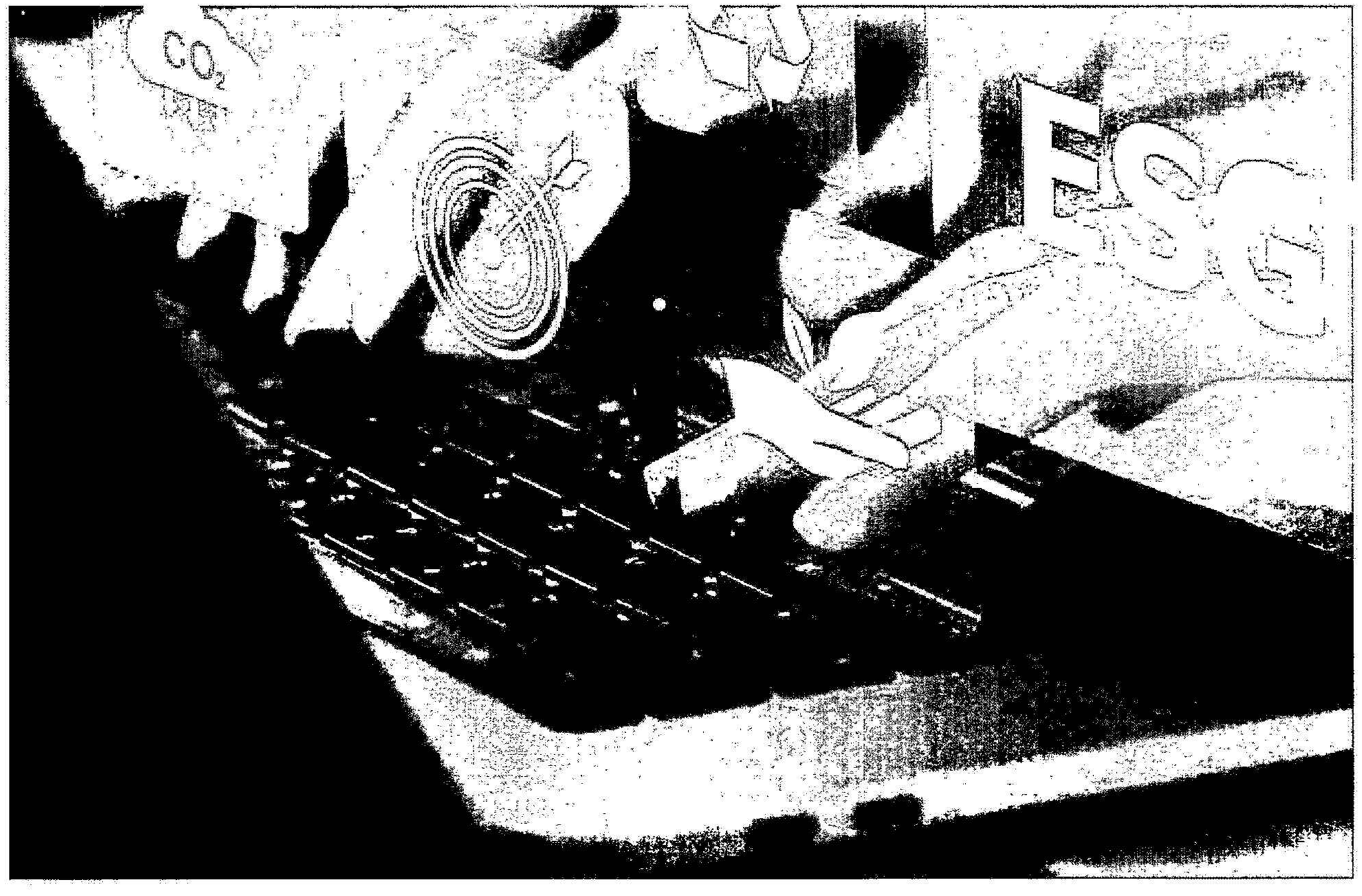
EU Waste Framework Directive (WFD)
Regulation on basic waste management principles (including waste prevention, collection, reuse and recycling, and treatment) to protect the environment and human health..

Directive on improving the gender equality on corporate boards
By July 2026, at least 40% of non-executive positions should be filled by the under-represented gender. For executive directors, the target is 33%.

General Product Safety Directive (GPSD)
Under this directive, a product is defined as safe if it meets all statutory safety requirements under EU or national law.

Source: https://www.pwc.be/en/challenges/esg/regulatory-landscape.html?gclid=EAIaIQobChMI0pnYqtfx_QIVaQIGAB1IlQPXEAAYAyAAEgJOCPD_BwE

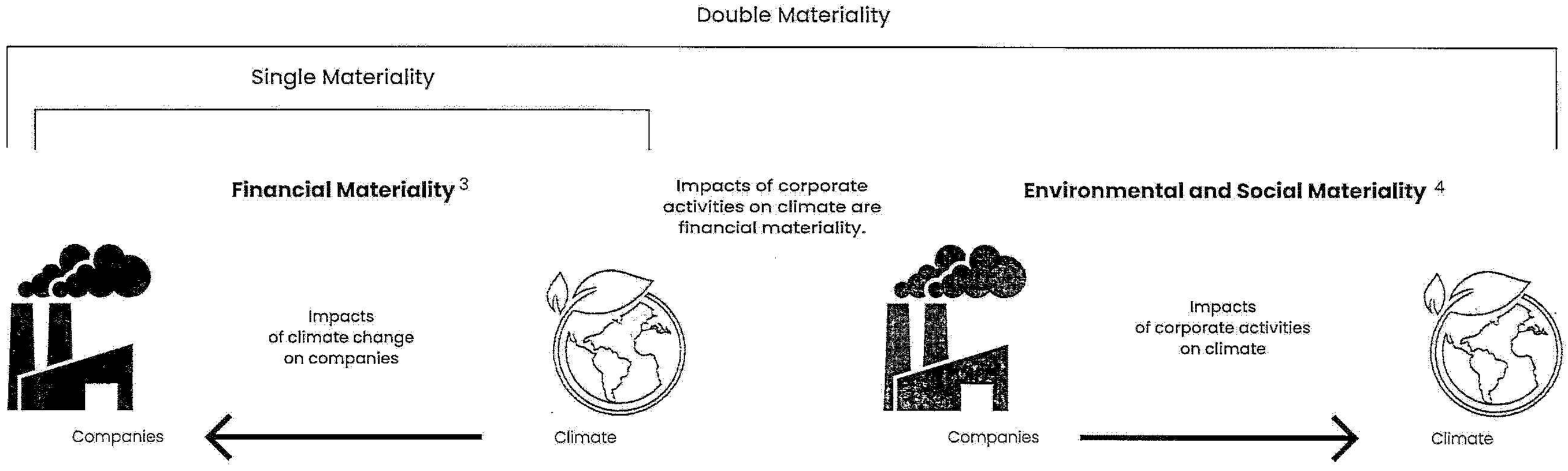
DOUBLE MATERIALITY: THE BACKBONE OF THE CSRD



In 2019, the European Commission was the first to formally describe the concept of double materiality in the context of sustainability reporting and the need to get a full picture of a company's impacts.[2] The idea was to encourage companies to judge materiality from two perspectives: the effect on the company's development and financial value; and the environmental and social impact of the company's activities on various stakeholders.

[2] *Guidelines on Non-financial Reporting: Supplement on Reporting Climate-related Information (European Commission, 2019). https://finance.ec.europa.eu/publications/commission-guidelines-non-financial-reporting_en*

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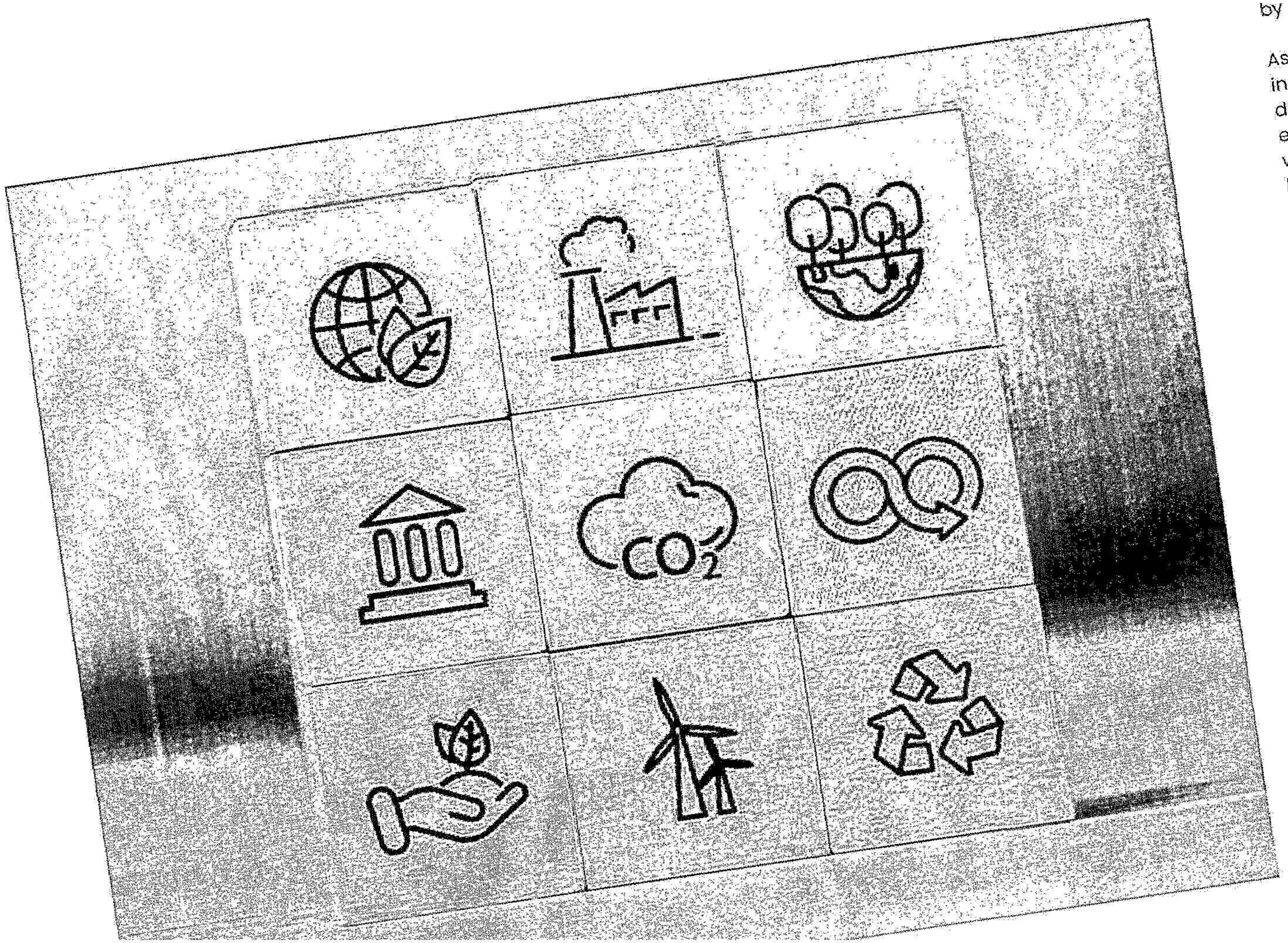
The CSRD is based on more profound development of these perspectives. To bring sustainability reporting into line with financial reporting, it will require companies to report on how sustainability issues (including climate change) impact their business and on how their operations affect people and the planet. The Directive describes the double materiality process required to select material topics relevant for stakeholders and includes the requirement for reporting on forward-looking information, including targets and progress. In January 2023, the European Financial Reporting Advisory Group (EFRAG) published initial guidelines, the European Sustainability Reporting Standards (ESRS or ESR) explaining the meaning of impact materiality and financial materiality.

On 15 November 2022 the first set of draft ESRS was submitted to the European Commission and publication of the final standards is expected on 1 June 2023.

For financial years starting on or after 1 January 2024, CSRD will apply to companies currently subject to NFRD, with the first report expected to be produced in 2025. The phased roll-out will eventually extend to all large EU companies, listed SMEs and non-EU companies with a significant EU branch. As a result, almost 50,000 companies will be required to collect and share sustainability information compared to about 11,700 now.

[3] Financial Materiality – External risks and opportunities that create or erode enterprise value: essential to understanding the financial developments, results and conditions of a company
[4] Impact Materiality – Positive and negative impacts that corporate decision-making and business activities have on the environment and people

RECTICEL AND THE CSRD



Although CSRD will not replace NFRD until the 2024 financial year, Recticel has chosen to begin its transition now as part of our fundamental commitments to transparency and sustainability, supported by our consultant *slidingdoors*. Full disclosure and clarity in 2025, along with the mandatory audit of the sustainability information reported, will improve the reliability of data. It will solidify sustainability initiatives by requiring tangible action.

As we start our new journey as a pure player in the insulation sector, sustainability remains the primary driver of our business. The CSRD complements our existing commitments and the new reporting standards will underpin our ambitious Race to Net Zero. We have been evaluating our priorities from both stakeholder and organisational perspectives for many years as part of the GRI reporting framework.

We firmly believe in the value of the double materiality approach. In this Annual Report, we present a more limited materiality evaluation as we were restricted by the combination of a period of radical change for our business and the evolving reporting landscape.[5] We see this very much as an ongoing journey and are engaging with stakeholders throughout 2023 to further refine our materiality assessment. This will be the basis for more extensive reporting in 2024, in line with the European Sustainability Reporting Standards (ESRS).

In Chapter 3 of this report, we provide a complete description of our approach to the materiality assessment and its relevance to our purpose, strategy and value creation model.

[5] *The sale of the Bedding business line to Aquinos Group (2022), the acquisition of Trimo d.o.o. (2022), and the divestment of Engineered Foams.*



VALUE CREATION MODEL

Sustainability *is* not just **a** component of our value creation model. It ***is*** our value creation model.

Where we create value

Environment

- Climate action
- Energy transition
- Circularity & EOL value
- (Waste)water management
- Biodiversity

Employees & society

- Job satisfaction & well-being
- Labour conditions, rights & equality
- Citizenship & community relations
- Occupational health & safety
- Training & development
- Company culture, values & inclusion

Leadership & governance

- Leadership
- Anti-bribery & corruption
- Risk management
- Cybersecuirity
- Governance diversity
- Structure & oversight

How we create value

OUR RACE TO NET ZERO EMISSIONS

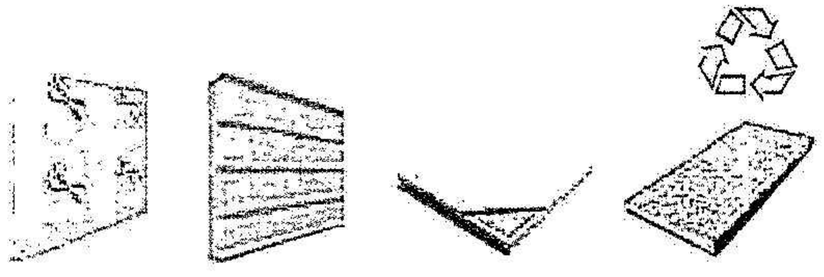
OUR RACE TO MAX POSITIVE PERFORMANCE

Our purpose

We fight climate change, consciously preserve resources and improve lives with leading-edge insulation solutions for current and future generations

Our business model

- Economic & ecologic resilience
- Process & product innovation
- Product design & circularity
- Product quality & safety
- Materials sourcing & efficiency
- Product labelling & certification



THE PROGRESS WE MADE IN 2022 (versus 2021)

Net zero Scopes 1 & 2 by 2030

-10.3% ↑ Scope 1 | -12.2% ↑ Scope 2

Carbon intensity

Ratio Scopes 1+2/m³ sales volume -12.3% ↑

Ratio Scopes 1+2+3/m³ sales volume -1.4% ↑

In-house Photo-voltaic energy consumption +309% ↑

Water consumption -2.0%

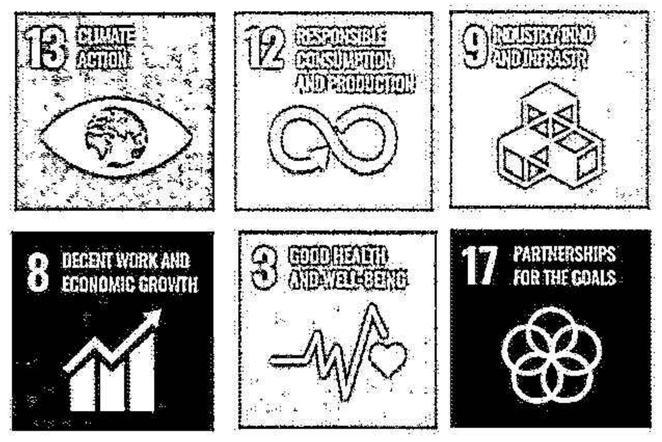
Avoided emissions[1]

17,242,000 tCO_2e **multiple** 20.3

Stakeholder dialogue (see chapter 3.2.6.)

Revenue from climate mitigation insulation products[2] 91%

Impact

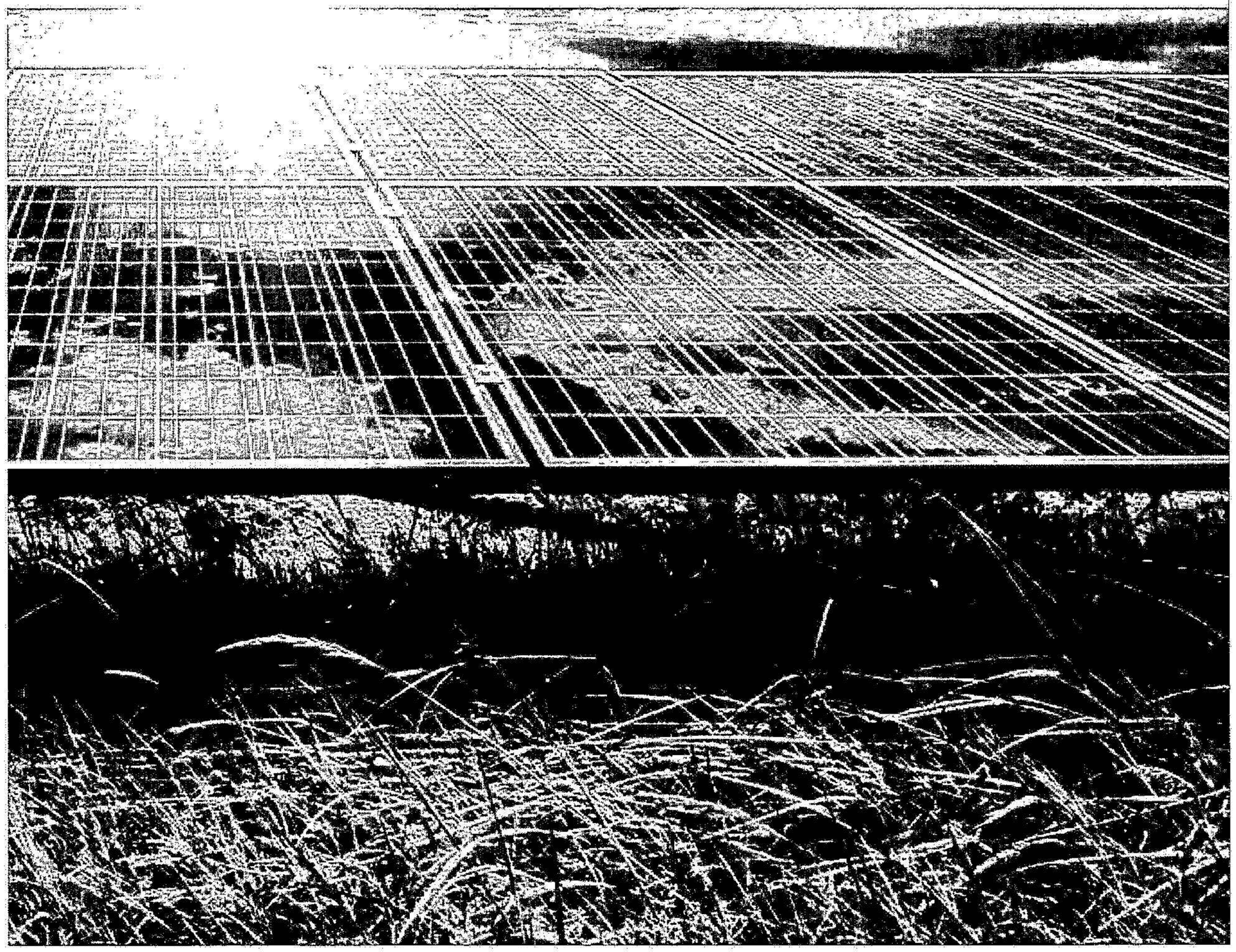


[1] *See Chapter 4.1.5. Ratio between avoided emissions over its lifetime and carbon footprint Scopes 1+2+3, for all products sold in 2022*

[2] *See Chapter 3.3.2, Recticel EU Taxonomy 2022 outcome*

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OUR ECOSYSTEM



The European Green Deal

The European Green Deal is a set of proposals adopted by the European Commission in 2019 with the overarching aim of making the European Union the first climate neutral continent by 2050. This would require EU countries to drastically reduce their greenhouse gas emissions and find ways of compensating for remaining and unavoidable emissions to reach a net zero emissions balance.

The regulatory framework presents the green transition as a major opportunity for the European industry, clearing the way for a growth strategy in which economic progress is decoupled from resource use. It supports investment in clean technologies and innovations, helping to decarbonise the transport and energy sectors. It also includes measures to improve the energy efficiency of buildings through construction and renovation, formalised in the Energy Performance of Buildings Directive (EPBD).

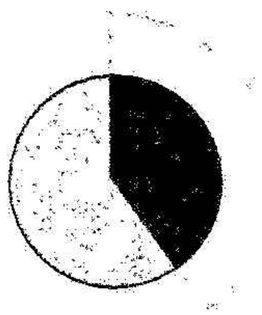
In 2020, the Commission published its Renovation Wave strategy to improve the energy performance of buildings in the EU. The Commission aimed to at least double renovation rates by 2030 (potentially renovating 35 million buildings) and ensure that renovations would lead to higher energy and resource efficiency.[3]

> "Two-thirds of the buildings in the EU lack basic energy performance, leading them in winter while not staying cool in summer. The majority of these buildings (85-95%) are expected to still be standing in 2050."[4]

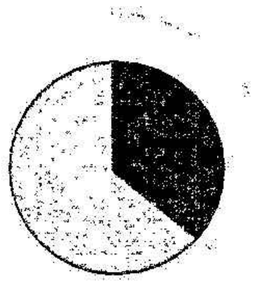
[3] *https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1835*
[4] *https://www.euractiv.com/section/energy-environment/opinion/insulating-the-economy-why-the-eu-must-aim-high-on-its-buildings-directive/*

On 14 March 2023, the European Parliament approved a revision to the EPBD including a proposal by the Commission to introduce mandatory Minimum Energy Performance Standards (MEPS) for the whole building sector. While the new guidelines still need final approval from the European Council, the direction of travel is clear. The Parliament's vision for the EPBD has the potential to eradicate leaky buildings and increase the efficiency of the European energy system, while increasing energy resilience and improving quality of life for the most vulnerable. The new legislation will provide clarity on the pace and sequencing of the full decarbonisation of the building stock, allowing investors and industry to scale up and plan accordingly.

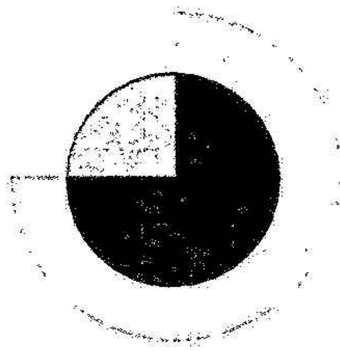
Buildings account for[5]:



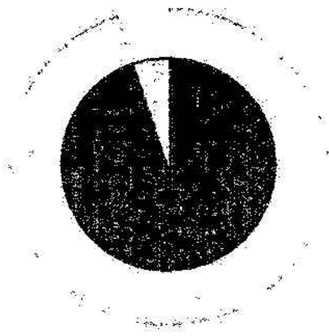
of energy consumed



of energy-related greenhouse gas emissions consumed



of EU buildings are not energy efficient



of EU buildings are expected to still be standing in 2050

Key elements of the revised EPBD (March 2023)

As of 2028 all new buildings must be zero-emission; new public buildings must be zero emission by 2027.

G>F

The **worst-performing 15% of the EU building stock will have to be upgraded** from Energy Performance Certificate (EPC) label G to at least label F by 2030, public and non-residential buildings leading the way by 2027. Residential buildings should be renovated from G to at least F by 2030, and to at least E by 2033.

The **obligation to have an energy performance certificate is extended** to buildings undergoing major renovation, buildings for which a rental contract is renewed and all public buildings.

Requirement to **roll out charging infrastructure** for electric vehicles in residential and commercial buildings and to promote **dedicated parking space for bicycles**.

FOR SALE

Buildings or building units which are offered **for sale** or rent must have **an energy performance certificate,** and the energy performance class and indicator should be stated in all advertisements.

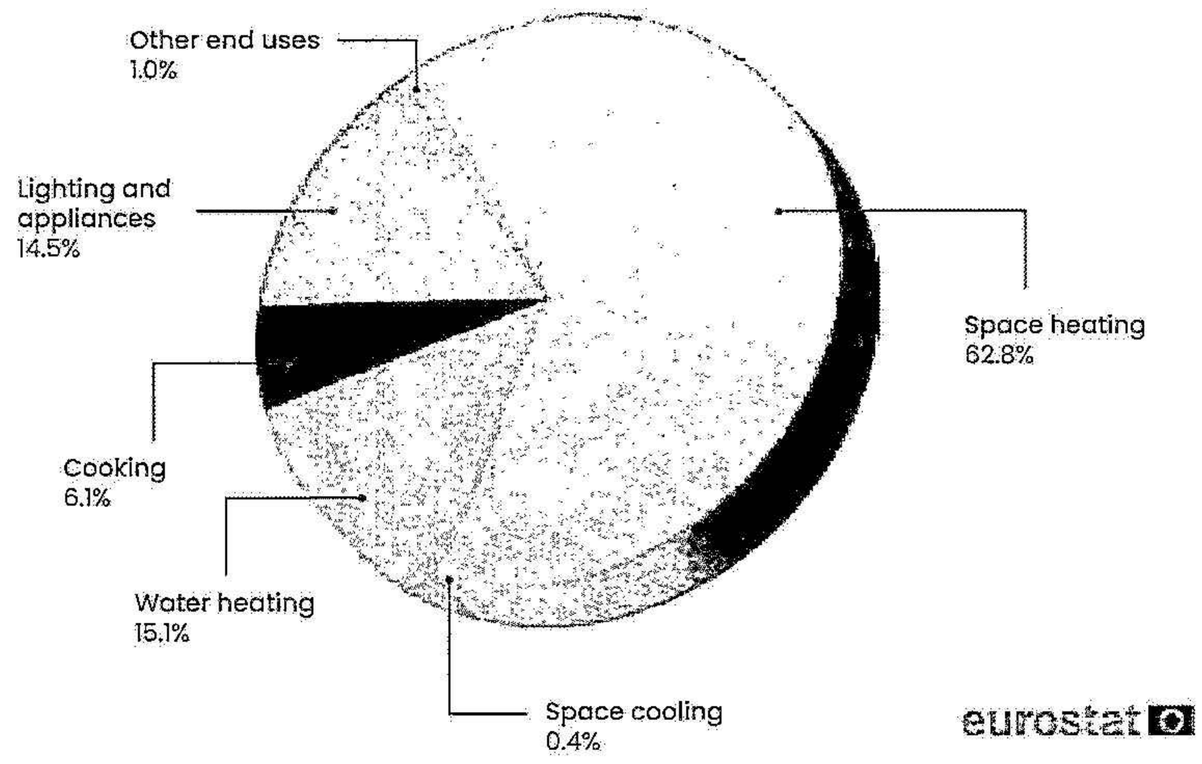
National Building Renovation Plans will be fully integrated into National Energy and Climate Plans to ensure comparability and tracking of progress – they will need to include roadmaps for **phasing out fossil fuels in heating and cooling by 2040 at the latest.**

A Building 'Renovation passport' will **give access to information and lower costs for consumers** to facilitate their planning and a step-by-step renovation towards zero-emission level.

[5] *https://www.euractiv.com/section/energy-environment/opinion/insulating-the-economy-why-the-eu-must-aim-high-on-its-buildings-directive/*

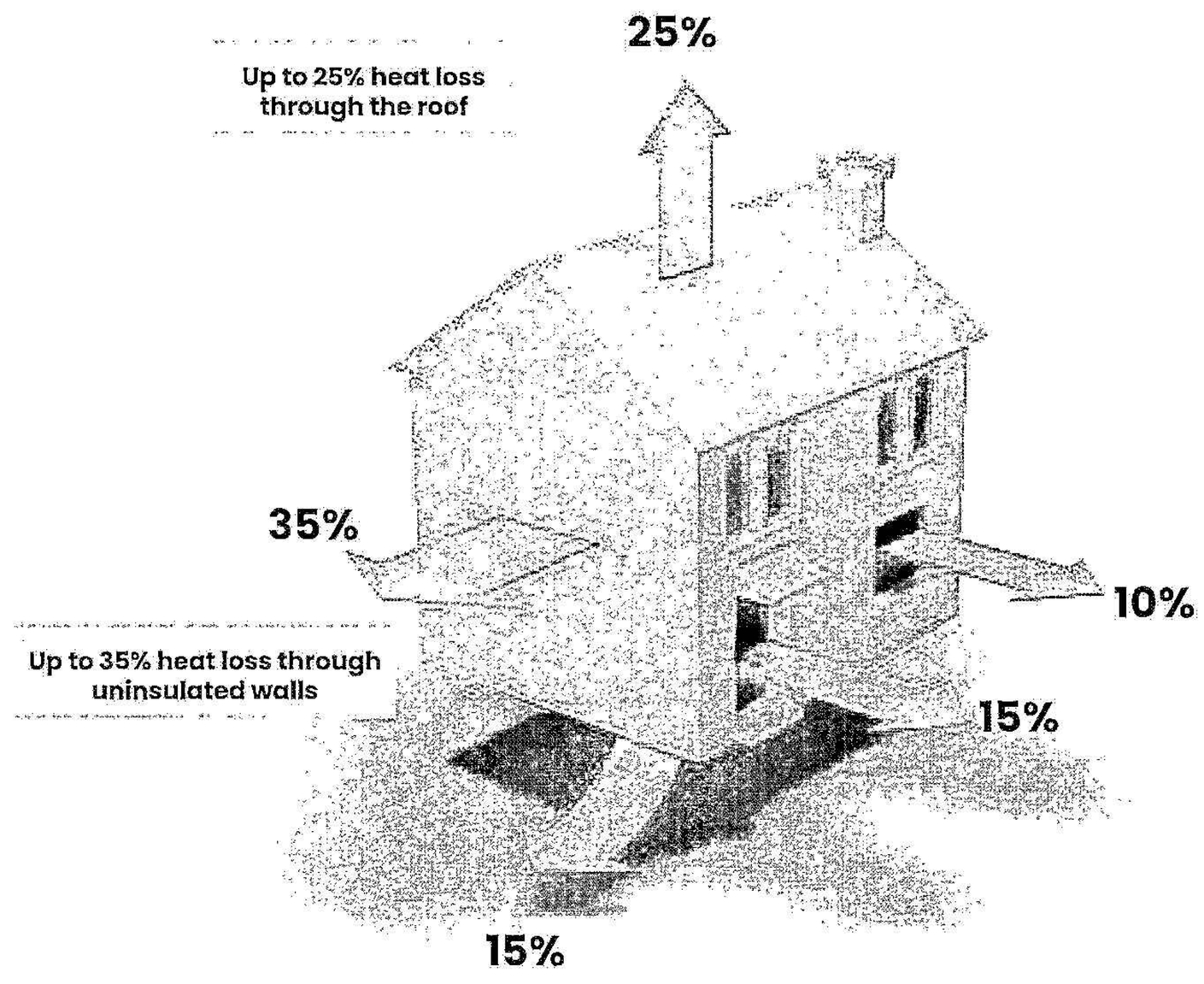
With space heating accounting for almost 63% of the average household's energy consumption, thermal insulation is one of the most effective ways to improve the energy performance of residential buildings and keep energy bills under control. Recticel's insulation solutions will have a very significant role in improving the energy efficiency of buildings and the sustainability of the construction sector as a whole.

Final energy consumption in the residential sector by use, EU, 2020



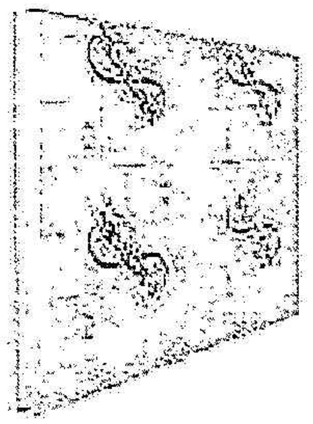
Source: Eurostat (online data code: nrg_d_hhq)
https://ec.europa.eu/eurostat/statistics-explained/images/9/9e/Final_energy_consumption_in_the_residential_sector_by_use%2C_EU%2C_2020_v6.png

Heat loss in residential buildings

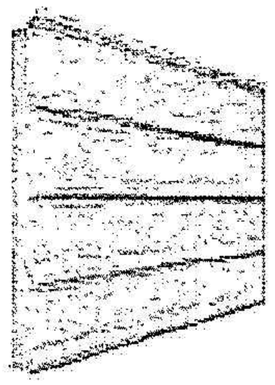


Focused activities for a competitive offer

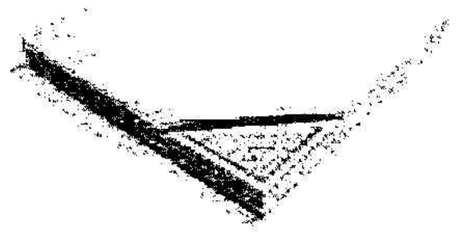
Recticel manufactures tailored insulation products and services for different market segments. Our thermal insulation boards work behind the scenes to improve energy efficiency and comfort. Our insulated panels are designed to support the highest aesthetic standards and architectural possibilities. We also provide vacuum insulated panels that support cold chain activities in industries ranging from food to pharma. Our easy-to-install thermo-acoustic boards significantly reduce airborne noise in rooms.



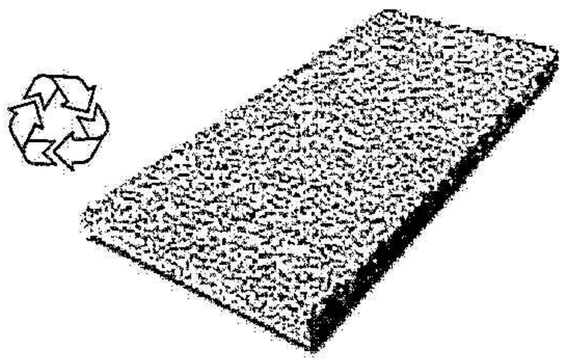
Insulation boards



Insulated panels



Vacuum insulated panels



Thermo-acoustic boards

Insulation boards

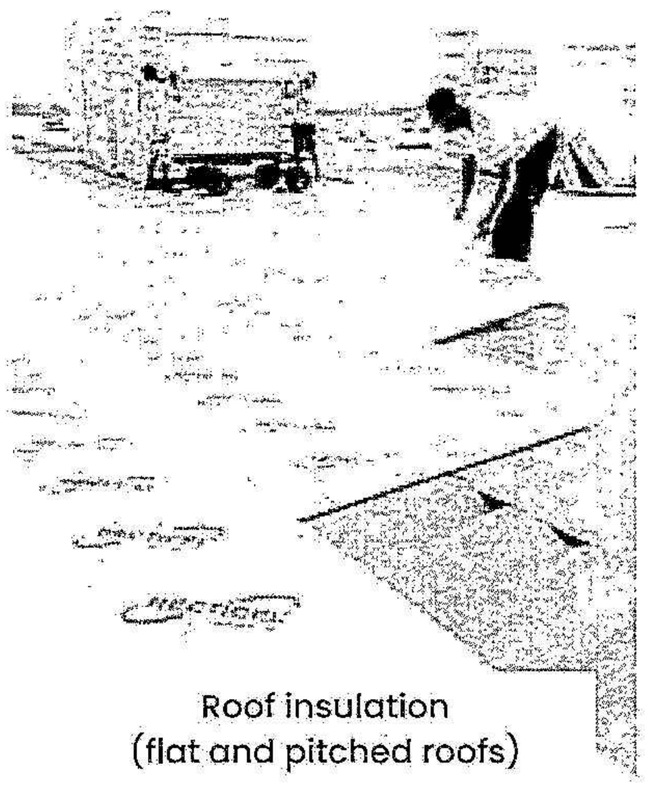
We develop thermal insulation boards consisting of high-performance Polyisocyanurate (PIR) foam laminated between two facing materials. The facing options are extremely wide-ranging and include multi-layer foils, aluminium, bituminous and mineral coated glass fleece as well as gypsum plasterboard board laminates.

Our offering

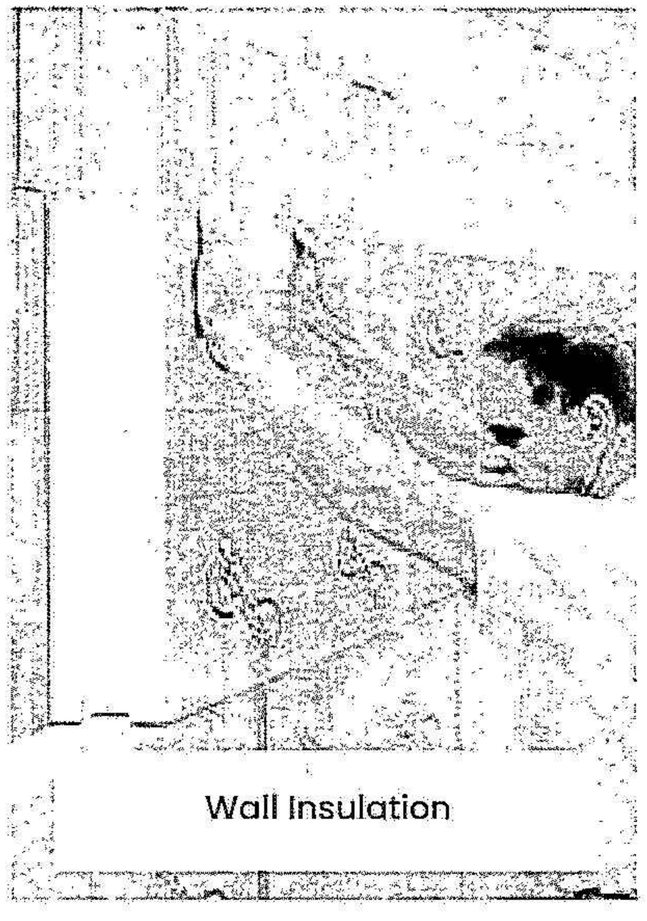
Our thermal PIR insulation boards are tailored for various residential and non-residential applications. They provide highly effective insulation in all areas of the building envelope, including flat, tapered and pitched roofs, cavity walls, floors, internal linings and external wall insulation systems.



Floor insulation



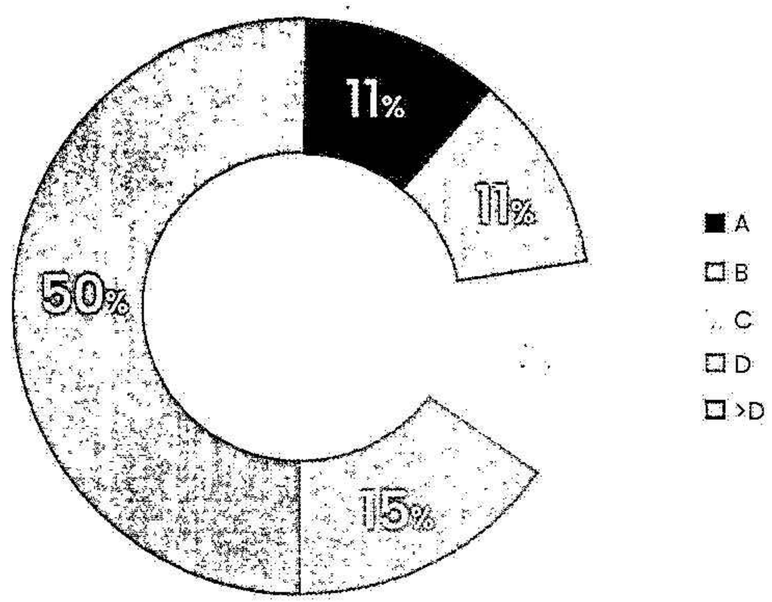
Roof insulation
(flat and pitched roofs)



Wall Insulation

Addressable market
The European building insulation market growth is supplemented by key drivers, which include the rise in government initiatives to reduce carbon footprints and an upsurge in the renovation of residential and commercial buildings.

EU average distribution of EPC ratings (%)



Proxy for the EU average distribution in EPC classes for 2021, based on available EPC data. Data covers 14 member states, representing around 82% of the total useful floor area of buildings in the EU.[6]

[6] *EU Buildings Climate Tracker. Methodology and introduction of building decarbonisation indicators and their results, BPIE (Buildings Performance Institute Europe), 2022. Available at: https://www.bpie.eu/publication/eu-buildings-tracker-methodology-and-results-for-building-decarbonisation-indicators*

[7] *How to stay warm and save energy – insulation opportunities in European homes, BPIE (Buildings Performance Institute Europe), 2023). Available at https://www.bpie.eu/publication/how-to-stay-warm-and-save-energy-insulation-opportunities-in-european-homes/*

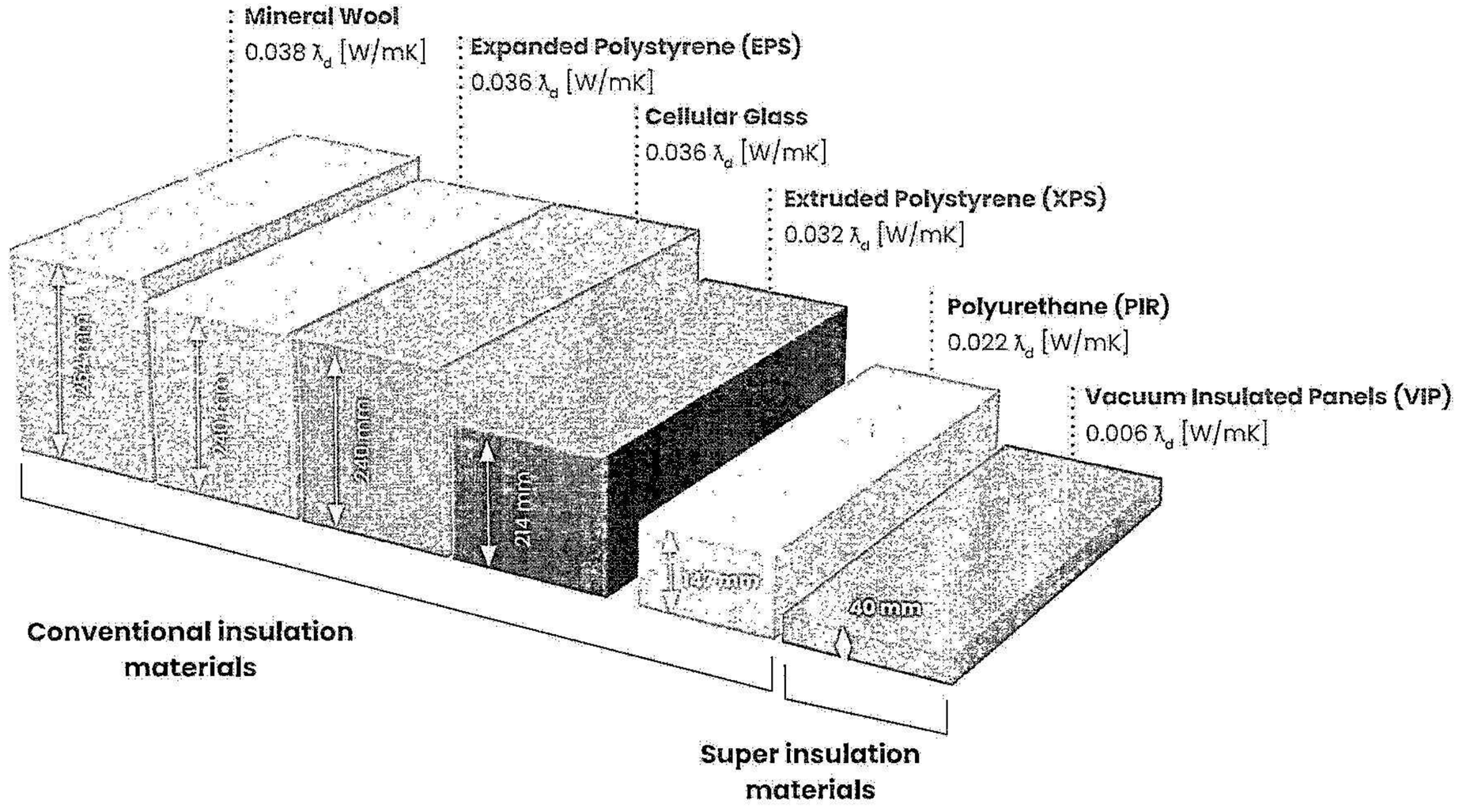
[8] *The U-value is a way to measure heat loss through a building shell element. It is also known as the "heat transfer coefficient" of the envelope expressed in watts per square meter. A low U-value indicates a high level of insulation.*

A study published by Buildings Performance Institute Europe (BPIE), proves that investing in better insulation in residential buildings is critical to reducing EU energy dependence on fossil fuels and tackling the energy crisis. To achieve the energy savings potential (777 TWh) driving EU climate targets, the building annual renovation rate must grow from 1% to 2% by 2030, reach 3% by 2035 and 4% by 2045.[7]

Value of our PIR insulation boards
While the general benefits of insulation are clear, there are further benefits to be derived specifically by choosing polyurethane as an insulation material. This is due to the varying thermal insulation capacities, densities and installation requirements of different materials. PIR insulation boards make a particular contribution to economic and environmental sustainability in a number of ways.

PIR insulation boards allow regulatory compliance to be achieved with thinner walls and roofs.
The lambda value (ƛ-value) is an indication of a product's thermal conductivity in units of W/mK. The lower the thermal conductivity, the higher the insulating performance and the greater the savings in heating/cooling costs for the building. λ_d, the declared lambda value, represents the thermal conductivity of a material as tested in a lab with constant conditions of temperature and humidity, and includes the aging of the material. Polyurethane outperforms the other conventional insulation materials like mineral wool (glass wool/stone wool), XPS/EPS and cellular glass in this respect. Vacuum insulated panels offer ultimate insulation performance.

The comparison table below is based on a building shell element of U=0.15 W/m²K [8] or thermal resistance value R=6.65 m²K/W (R=1/U).



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PIR Insulation boards benefits

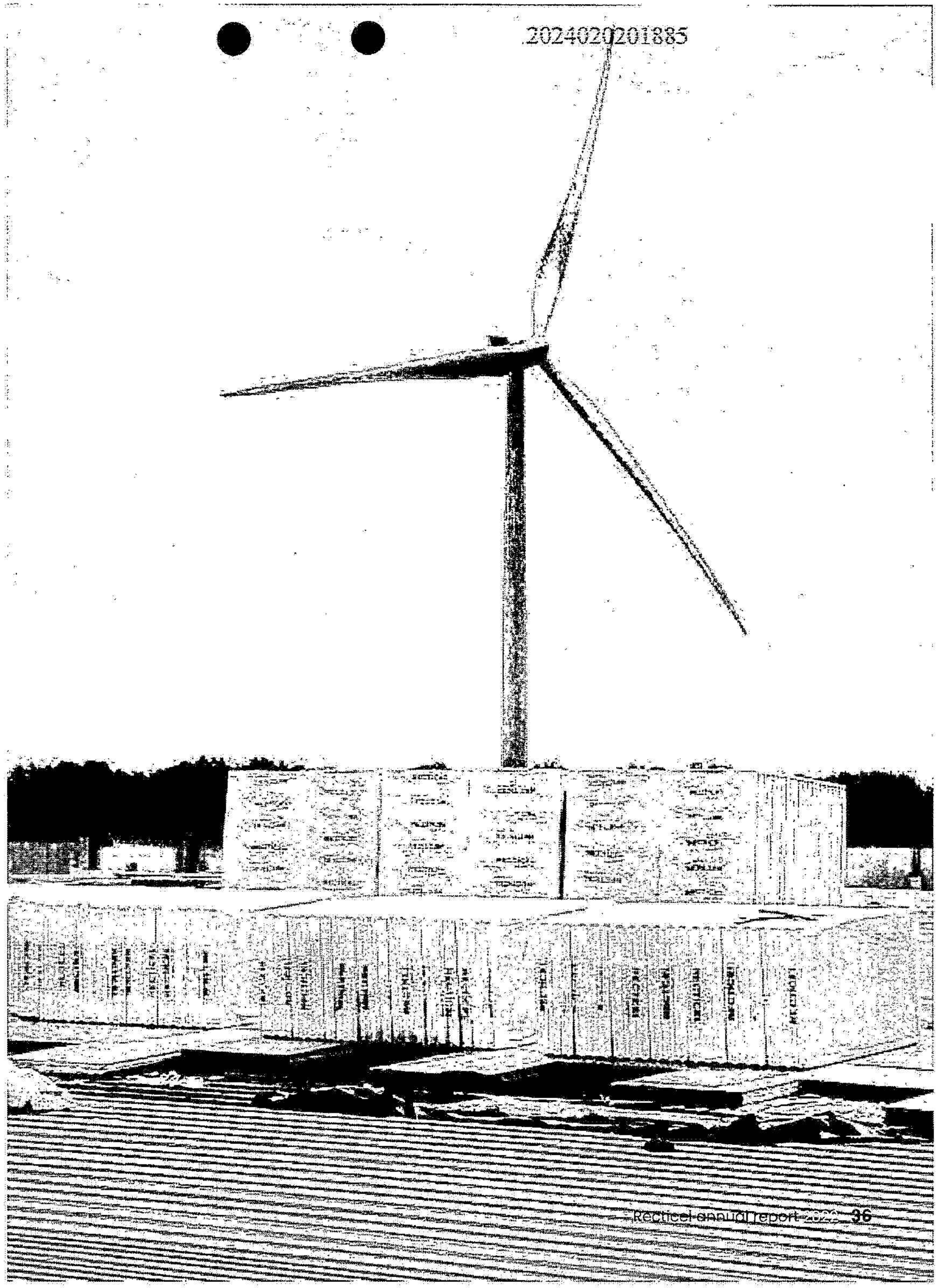
Superior energy efficiency: PIR is one of the most efficient materials on the market with thermal conductivity values as low as 0.22 W/mK.

Reduced thickness: Thinner profiles mean more living space, easier storage, flexibility to fit tight spaces and lower fuel costs and emissions from transportation.

Low weight: With around 97% of its volume consisting of trapped gas, polyurethane foam is one of the lightest insulation materials available, creating efficiencies in logistics, installation and structural costs.

Cleaner indoor air: Of all the insulation products on the market today, PIR produces one of the lowest levels of indoor air emissions.

Walkability without deformation: With high compressive strength (over 150 kPa), PIR insulation resists damage during roof maintenance and helps to maintain the performance of waterproofing membranes.



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Insulated panels

Metal faced insulated panels are single, factory engineered components that are typically fixed directly to the structural frame to provide both insulation and weather protection. There is no cavity in this type of cladding construction.



Our offering

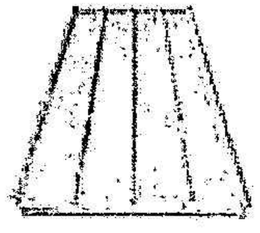
TRIMOTERM
A range of environmentally friendly façade, wall and roof panels, which are ideal for constructions where there are very high demands for fire resistance, sound reduction and thermal insulation



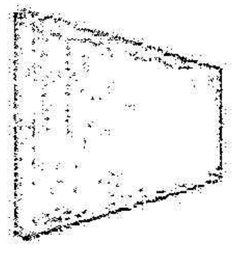
TRIMOTERM FTV
(walls, façade)



TRIMOTERM FTV HL
(walls, façade)



TRIMOTERM SNV
(roof)

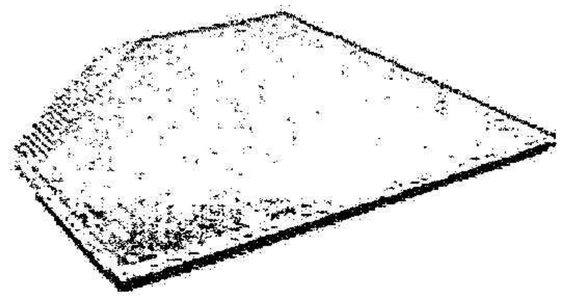


TRIMOTERM SOUND

QBISS ONE & QBISS SCREEN
A design and technological breakthrough. A world class-engineered, prefabricated architectural metal wall that offers a true alternative to conventional built-up systems.



QBISS One



QBISS Screen

ARTME
Unique, high-tech façade surface treatment that allows literally unlimited shapes, patterns and visual effects to be inscribed on the façade envelope.



Addressable market
The market for insulated panels is split between PUR/PIR and mineral wool core products, accounting for 80% and 20% of the market share respectively.

The growth in insulated panels is driven by four megatrends, which are very successfully addressed by our products. These trends are:

1. Sustainability, as reducing environmental impact becomes a standard requirement;
2. Fire safety, as new legislation and greater developer awareness are implemented;
3. Energy efficiency, as thermal insulation and net zero buildings gain importance;
4. Prefabrication, to decrease the labour intensity of construction.

Our product portfolio is well-suited to meet the needs of the fast-growing segment, and our ability to adapt quickly to market behaviour has proven to be a strength for our company.

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Value of our mineral wool insulated panels
Insulated panels offer a unique set of benefits in construction. Their structural and physical properties allow great design freedom, while their advanced technical qualities provide a high-quality, all-round solution. They are a particularly good match for pre-fabrication requirements, enabling regulatory compliance in a fast, cost-efficient and scalable manner.

FEATURES	ADVANTAGES
Total envelope solution	Tailor-made details, prefabricated corner elements
Self-supporting	Up to 10 m single span & fast installation
Prefabricated	Quality control, produced in a controlled environment, ready to install without cutting
Mineral wool insulation	High level of fire resistance, non-combustibility
Water & air tightness	Low air change rates, safe equipment
Tailored project solutions	Design experts, technical support, in-house knowledge, 50+ years of experience
BIM libraries	Free Archicad and Revit BIM libraries
Burglary resistance	Class RC3 of burglary resistance
Flexible warranties	Robust, durable and high-quality coatings
99% recyclable	Environmentally friendly material
Extreme thermal values	High energy efficient
Moisture resistant	No moisture on the surface of internal walls

Mineral wool insulated panels benefits

Single factory-manufactured unit: Panels can reduce construction and assembly time by up to 50% and cut costs by as much as 20%.

A sustainable choice: Mineral wool insulated panels are up to 98% recyclable and increase energy efficiency with consistently high insulation values and minimised thermal bridging.

Safety and performance: High-quality thermal and acoustic insulation is combined with very good fire resistance.

Design flexibility: As well as saving space, insulated panels allow broad choice in terms of profiles, colours, coating types, positioning, sizes and accessories.

Lightweight factory system: With easy handling and reduced field decisions, insulated panels limit installer impact on product performance and save frame and foundation costs.

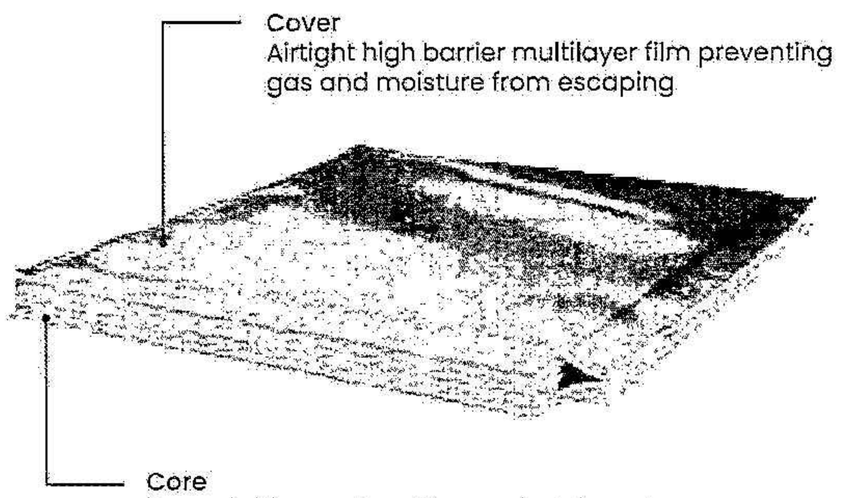
Low life cycle costs: Insulated panels are durable, low-maintenance and provide consistent insulation properties over the lifetime of the building.

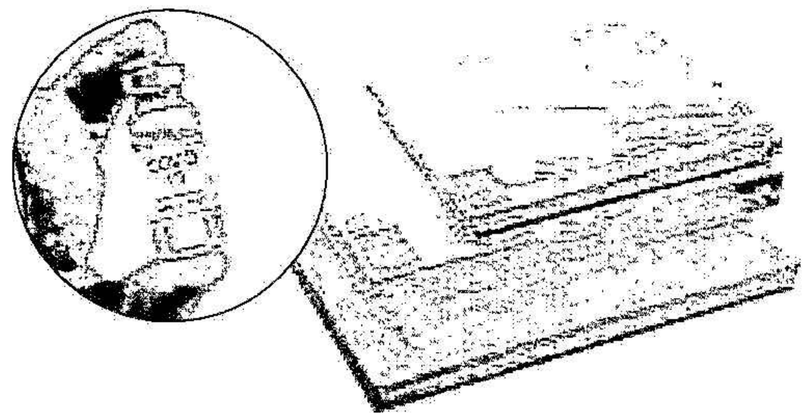
First-class service: Our insulation panel customers are supported through every phase of the building envelope project with BIM visualisation, tailor-made solutions and predictable costs.

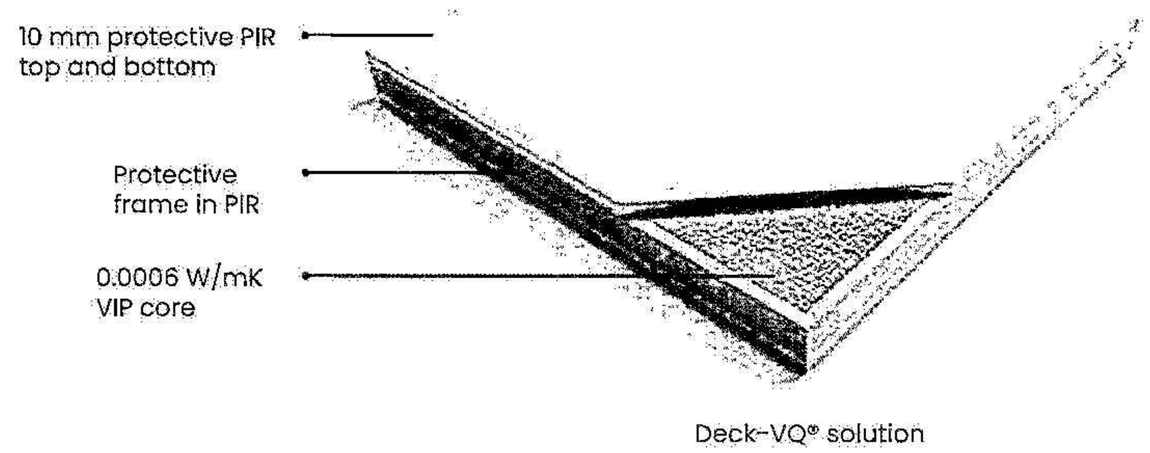
Vacuum insulated panels

This thermal insulation solution consists of a rigid core (fumed silica or glass fibre) sealed inside an airtight enclosure from which the air has been evacuated. With ultra-low thermal conductivity and high thermal resistance, vacuum insulated panels (VIPs) offer superior insulation performance compared to traditional insulation materials. This means that insulation systems can potentially be more than five times thinner. The panels can be produced in almost any shape and size and have applications in several industrial sectors, including building and construction, cold chain packaging and transportation.

Our offering







Deck-VQ® solution

Addressable market

Vacuum insulated panels have increasing relevance in the building and construction industry, as their impressive insulation performance contributes to energy efficiency in buildings. They are particularly useful in retrofitting existing buildings where space is limited.

They are also a vital element in the fast-growing cold chain packaging industry, which supports increasingly international trade in perishable products, and worldwide availability of food and health supplies.

In the pharmaceutical industry, VIPs are the packaging product of choice for temperature-sensitive drugs requiring an efficient cold chain logistics solution. Many of these substances rely on ultra-low temperatures (as low as -80°) for storage and transportation and are only defrosted immediately before use.

Overall, the VIP market is expected to experience significant growth in the coming years, driven by the increasing demand for energy-efficient building materials and other products across various industries.

The high cost of VIPs remains a significant challenge for the market, as they are more expensive than traditional insulation materials. Manufacturers are working to reduce the cost of production and increase the efficiency of VIPs to make them more accessible to a wider range of customers.

Value of our vacuum insulated panels
VIPs are particularly useful in situations where either strict insulation requirements or space constraints make traditional insulation solutions less practical.

Vacuum insulated panels benefits

Environmentally friendly
As far back as 2010, the International Energy Agency reported that large-scale use of vacuum insulated panels in buildings would reduce EU CO_2 emissions by about 8%, the reduction that the EU agreed to as part of its Kyoto Protocol commitment.[9] As well as reducing energy consumption and emissions, they support a circular economy by enabling retrofitting in almost any situation.

Reduced thickness
Ultra-thin VIP solutions eliminate the need for structural changes when renovating terraces, flat roofs, etc. Existing floor levels for windows, doors and roofing details can be maintained, saving time and money. Low thickness is also a significant benefit in packaging and pharmaceutical sectors, making transport and storage easier.

Long lifetime
VIPs provide reliable long-term performance, which is a significant asset in construction and renovation applications. Our VIPs based on fumed silica core material deliver high insulating performance over a lifetime of 40-60 years.

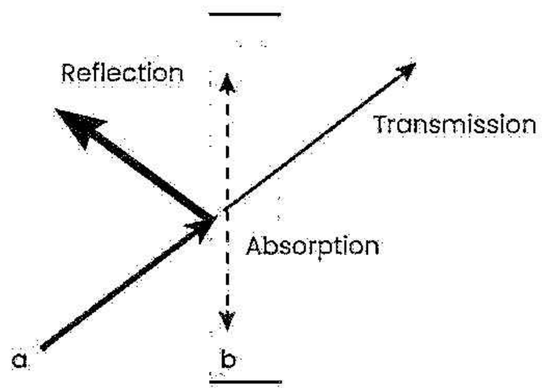
[9] Report: Vacuum Insulated Panel Properties & Building Applications, https://www.iea-ebc.org/Data/publications/EBC_Annex_39_PSR.pdf



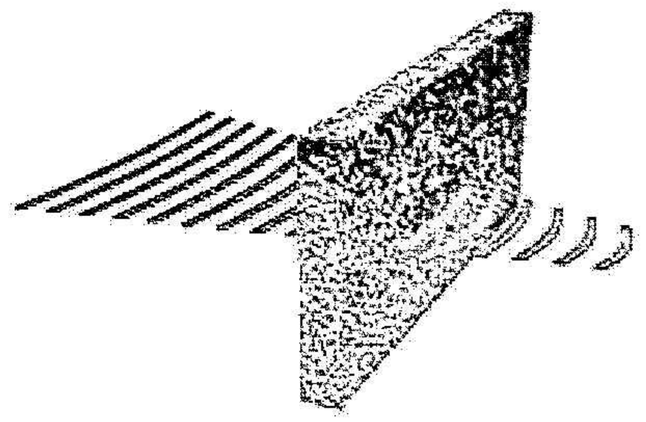
3.1.2.4 Thermo-acoustic boards

According to the European Environment Agency, one in five European residents are exposed to noise levels that are harmful to health, with ambient noise affecting more than 100 million people. This noise pollution has a negative impact on both human health and the environment. It leads to increased stress, cardiovascular diseases and sleep disorders. In France alone, the social cost of noise pollution amounted to €147 billion in 2021, almost double the cost in 2016.[10] The problem is exacerbated by a general trend towards smaller housing and collective buildings. Recticel addresses this challenge with thermo-acoustic solutions designed for partition walls and inner walls.

To understand the dynamics of the acoustics market, it is important to differentiate between room acoustics and acoustic insulation. Room acoustics is influenced by sound reflection and absorption and is related to the location and how sound is perceived. Acoustic insulation, influenced by sound transmission, relates to noise control or keeping sound out of the room.



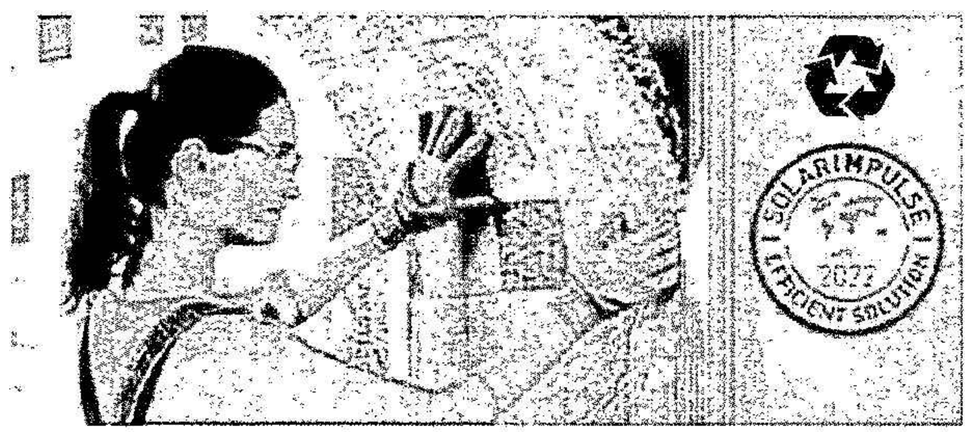
The most efficient method of acoustic insulation is the Mass-Spring-Mass system, which is based on the principle of decoupling the walls via a spring, such as a sound insulation foam.



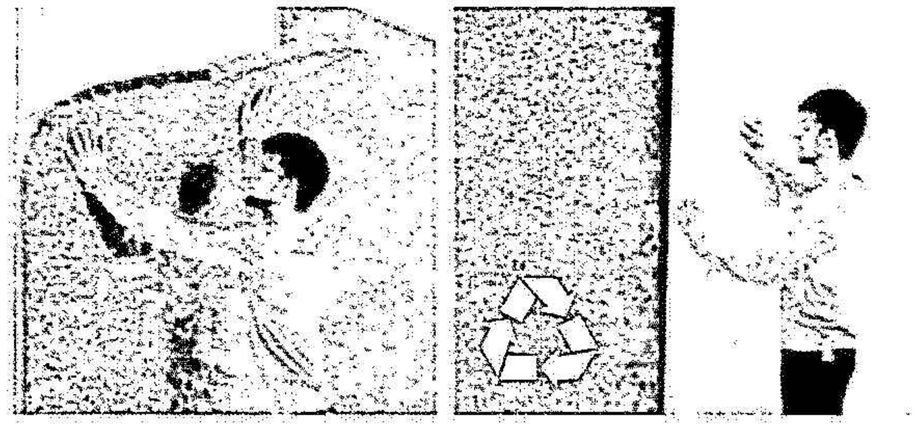
Our offering

Simfocor® is a thermo-acoustic insulation board designed for partition wall applications. It reduces sound intensity by up to 84%, representing a sound reduction improvement (ΔRw) of 8 dB. The boards are easy to slide in between the metal studs of the partition wall and offer good thermal performance. They are made from recycled PU foams from end-of-life mattresses, reducing waste and environmental impact.

Simfocor® received the 'Solar Impulse Efficient Solution' certificate, a label awarded to products, services and processes combining credible environmental and economic performance. It also means that Simfocor® joins the Solar Impulse Foundation's list of #1000+ Solutions selected for their contribution to clean economic growth.



Our inner wall solutions are also made from recycled materials and are simply attached to the interior wall with a special adhesive, reducing noise by around 87%.



Addressable market

Increasing awareness regarding noise pollution, stringent noise pollution standards, growing living standards, and energy efficiency are expected to drive the building acoustic insulation market. Moreover, growing health awareness among the population owing to the rising prevalence of hearing impairment and heart diseases is a major factor driving the market.

Value of our thermo-acoustic boards

Our thermo-acoustic boards make it easy for building residents to reconfigure their indoor space for changing circumstances – to welcome a new baby or add an extra workspace, for example. They are designed for flexibility and straightforward installation, making them ideal for the DIY market. This customer group is further supported via our website with resources like installation guides, product calculators and FAQs.

[10] *CNB-ADEME surveys published in 2021 and 2016 (https://librairie.ademe.fr/air-et-bruit/4815-cout-social-du-bruit-en-france.html)*

Thermo-acoustic boards benefits

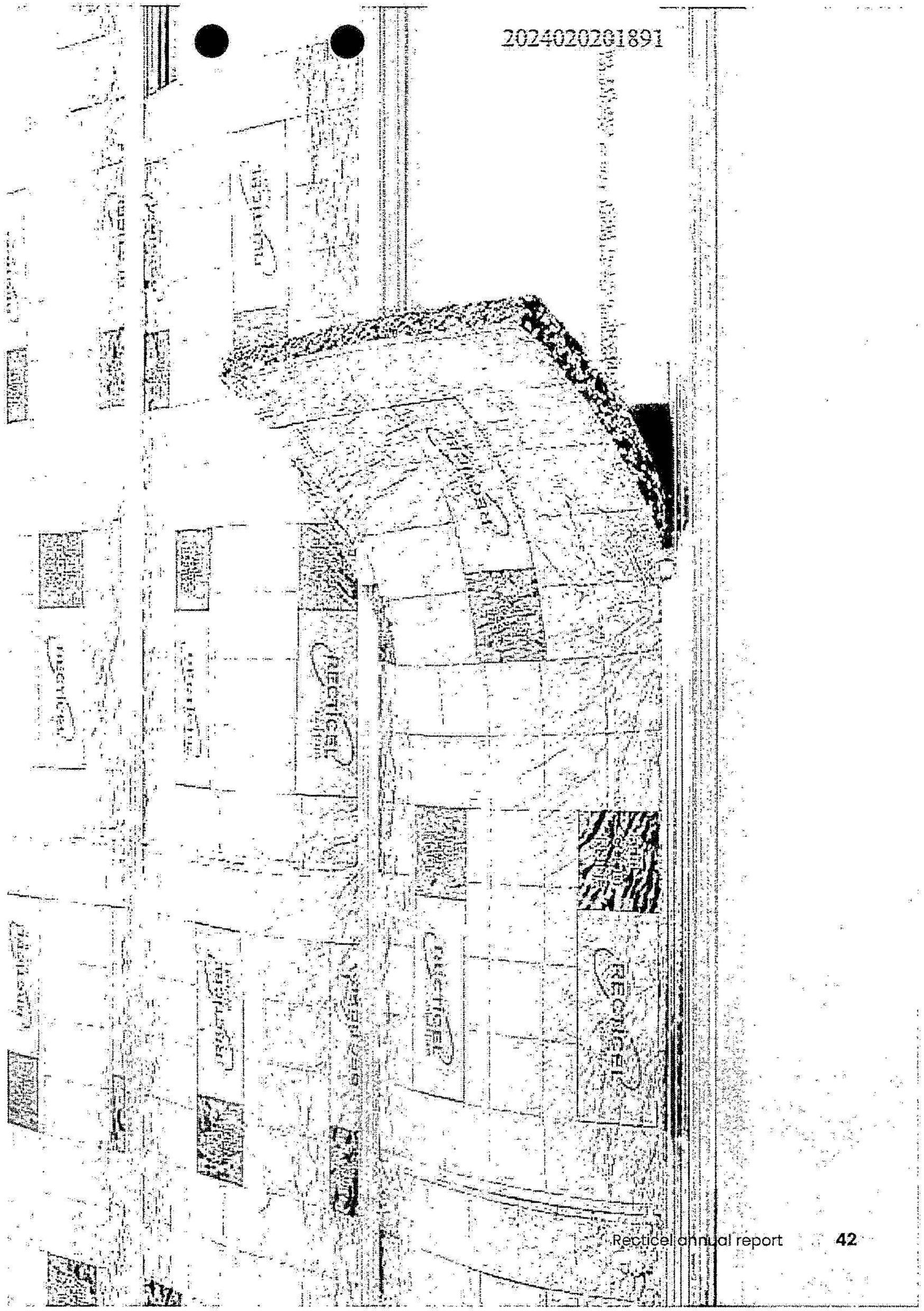
Quick and easy:
Our thermo-acoustic boards are easy to install and offer homeowners a fast way to adapt their living space as their needs change.

Space-efficient: Thermo-acoustic solutions are multi-taskers, offering good noise reduction and thermal performance in the thinnest possible layer so building occupants can make the most of their space.

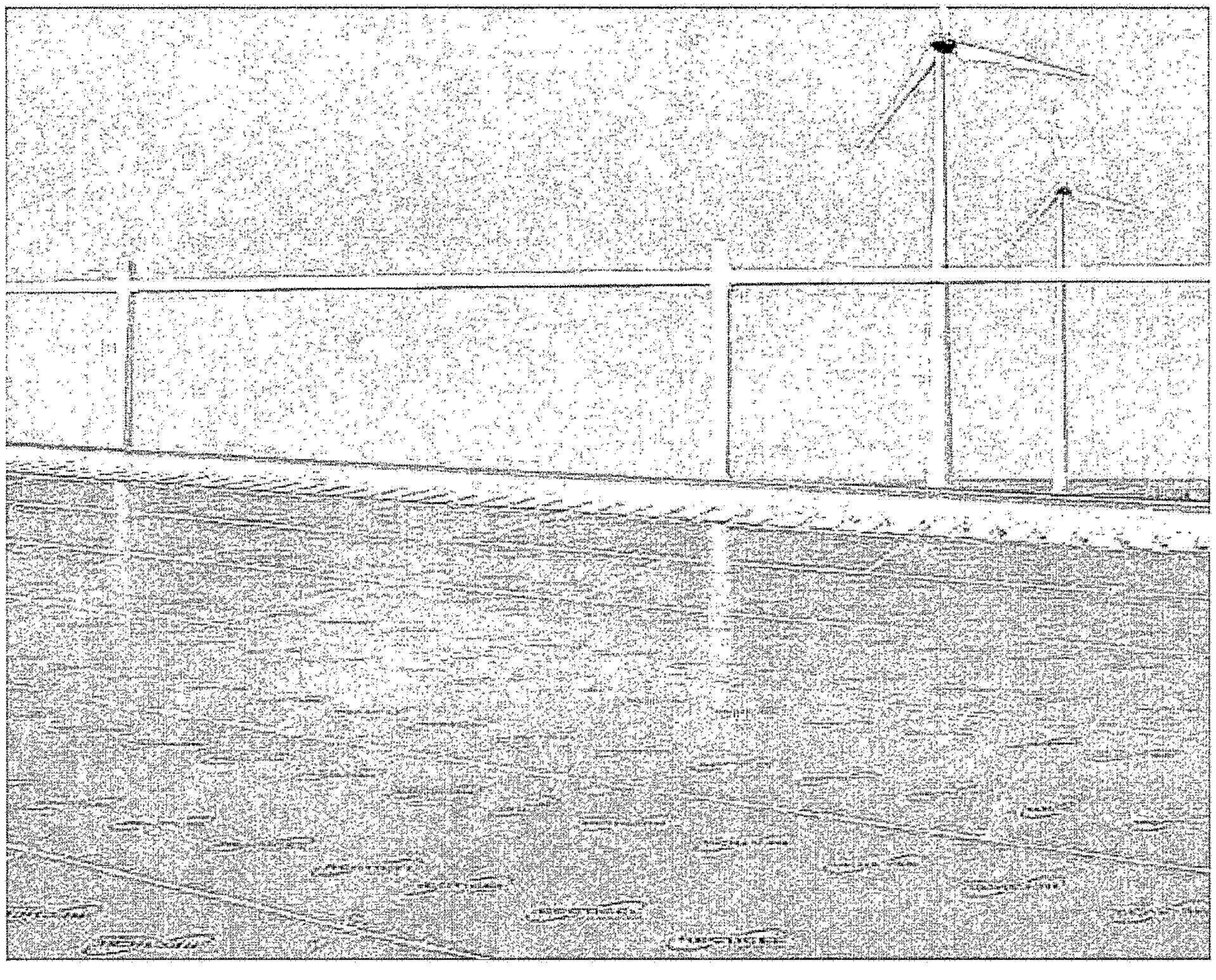
Reduced airborne noise: Thermo-acoustic insulation significantly reduces airborne noise and can be used against a partition between two heated, non-humid spaces.

Improved energy efficiency: Due to their low thermal conductivity, thermo-acoustic boards contribute to better control of the indoor climate and reduced costs for heating and cooling.

High recycled content: All our thermo-acoustic boards contain a high percentage of recycled materials, whether from production waste or discarded mattresses, contributing to a circular economy and reducing their environmental footprint.



OUR STRATEGIC DIRECTION



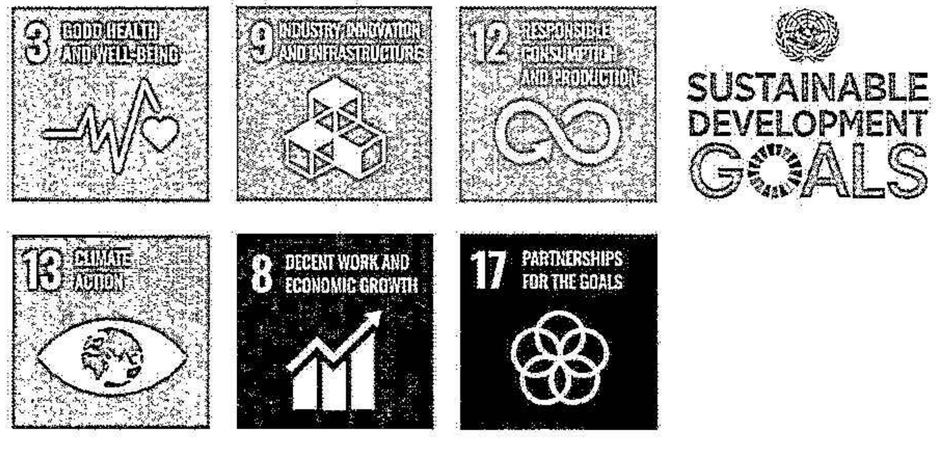
Our sustainability compass

Sustainability has been at the heart of the Recticel strategy since 2013. The sustainability strategy launched in 2015 has shaped our portfolio and innovation priorities as we respond to key societal challenges such as rapid urbanisation, clean energy transition, disruptive technology developments, demographic and social changes, climate change and resource shortages.

We take responsibility for our impact on the planet and society at large, paying attention to sustainability along our entire value chain, from raw material sourcing to product manufacturing, consumption and end-of-life. This includes our own activities and those within our sphere of influence, upstream as well as downstream.

Recticel also considers the material impact that sustainability issues can have on our financial value and cash flows, and the risks and opportunities related to this material impact (financial materiality). Our sustainability journey is closely interwoven with the Enterprise Risk Management Assessment, which enables us to identify, manage and mitigate the potential impact of sustainability issues on our business.

The double materiality analysis which will be a CSRD requirement marries these principles of financial and impact materiality. As described in Chapter 2 it will identify the aspects that are most relevant for Recticel and for our stakeholders and how they contribute to the priority Sustainable Development Goals (SGDs) we defined.



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Recticel materiality evaluation

In 2022 we embarked on a multi-step approach to:

- establish the governance structures necessary to ensure effective oversight of sustainability and meet the mandatory reporting requirements;
- establish a structured, evidence-based and dynamic double materiality methodology;
- use this process to strengthen our strategic planning, risk management and annual reporting.

We identified a longlist of sustainability topics based on Recticel's risks and opportunities, sustainability frameworks, peer reviews and performance against sustainability rating benchmarks.

Based on this longlist, the Management Committee defined the most relevant ones in terms of business impact, risks and opportunities:

- the issues considered most important in terms of impact on business success and importance to our stakeholders; and
- the subset of environmental, social and governance issues identified by the SASB for Building Materials as most relevant to financial performance and business value.

Most Material Issues (ESRS ranked)	ESRS topics	ESRS	REFERENCE SDG
Climate Change	• Impact on climate change • Energy consumption • Energy transition	E1	
Pollution	• Waste, spills and air emissions	E2	
Resource use and circularity	• Resource efficiency • Renewable resources • Closing the loop / end-of-life solutions	E5	
Job satisfaction, health & wellbeing	• Low absenteeism and turnover • Low rate accidents and incidents	S1	
Impact on consumers and end-users	• Product performance • Product innovation • Product differentiation (local requirements) • Product stewardship • Product information	S4	
Business conduct	• Ethics and integrity • Good governance	G1	
Risk management	• Accounting: risk related to improper financial and non-financial reporting • Attracting and retaining talent: workforce and talent-related risk • Regulatory requirements & beyond: risk related to not being able to comply with all rules and regulations (incl. GDPR, HSE statutory requirements, product stewardship) • Business interruptions and recovery: risk related to inadequate business continuity and recovery plans (incl. cyber threats, raw material price/shortage, crisis, insurability)		
Seize opportunities	• Regulatory requirements & beyond: opportunities related to being proactive in meeting regulatory requirements • Access to finance: being able to meet the ESG criteria that grant access to finance • Attracting & retaining talent: offering an inspiring and rewarding place to work • Future-proof business model: offering innovative solutions fulfilling societal needs (incl. consumer preferences, being sustainable/environment friendly) • Competitive advantage: ability to perform at a higher level than others in the same industry or market		

Materiality evaluation – next steps
Our stakeholders, those parties that invest in and impact our activities to the greatest degree, comprise customers (including consumers), employees, reference shareholders, financial investors/analysts, suppliers and public opinion (including the media and the labour market).

In 2023, we continue to consult our stakeholders through online surveys, workshops and interviews to assess whether the defined priorities can be validated or will need to be adjusted, considering as well the final version of the ESRS. This will enable us to develop a full double materiality matrix.

This will lead to more extensive reporting in 2024, in line with the ESR standards and requirements which are due to be approved and published later this year.

ESG risks and opportunities

Business organisations are evolving in an ever more complex, changing and uncertain environment and being held increasingly accountable in a global and highly connected world. At Recticel we are rising to the challenge by upgrading our risk management capabilities to secure the achievement of our strategic (long term) and operational (short term) objectives. We are making risk management into a competitive advantage, ultimately improving business decisions and maximising shareholder value.

In view of the ongoing changes to our company's structure we will carry out a new Enterprise Risk Management (ERM) assessment in 2023. This will enable us to update our risk register considering the complete landscape of new and emerging risks and key issues that could impact the new organisation and undermine value creation.

In addition, we will define the scope of ESG relevance in the total risk landscape and assess the overall maturity of our organisation towards sustainability challenges in the short, mid and long term. Particular attention will be paid to ESG reporting risks, considering existing and upcoming mandatory reporting requirements and how Recticel is dealing with them.

This will lead to an update of our risk strategy and governance, which will be integrated in the consultation process with our stakeholders as part of the double materiality evaluation.

Information on risk management is provided in the Environmental Statement (Chapter 4.1) and the Governance Statement (Chapter 4.3).

Our priorities

Our business showed good resistance to the consequences of geopolitical turmoil in 2022, and Recticel has been well positioned since the start of 2023. Nevertheless, the European construction market is increasingly challenging due to inflation and growing economic uncertainties. Now that we are at the end of our transformation to a pure player in insulation, our priorities for 2023 are margin management, growth initiatives and further progress on ESG performance.

We will use ESG data as a critical planning tool for long-term sustainable growth:

- To optimise our operations through energy, waste and carbon efficiency
- To decarbonise our mix of energy sources
- To identify new product opportunities and developments
- To pinpoint areas in which we can strengthen the social dimension of ESG (employees & community)
- To mitigate risk (climate impact, employee disconnection, ethics, credit risks, cybersecurity, etc.)
- To correlate sustainability with our business financial performance
- To meet emerging regulatory requirements, driving better ESG credit ratings and improving our reputation among sustainability-minded investors

How we create value

As an insulation company, we are driven by societal needs. Knowing that sustainability adds value and drives success for all our stakeholders, we innovate to support healthy, energy-efficient lifestyles, reduce carbon emissions and use resources with the utmost care.

We are executing our ESG strategy through two routes: Our Race to Net Zero and Our Race to Maximum Performance. The first is a focused Climate Action Plan for our fight against global warming. It includes clear targets and KPIs to further reduce our carbon footprint to net zero impact and increase the positive impact of our activities. Our efforts focus on responsible selection of raw materials, ecodesign and sustainable, more energy-efficient processes. Our ambition is to be a forerunner in the global transition to a circular, low-carbon economy.

Our Race to Maximum Performance is our People and Solutions Plan. It is based on our conviction that, to create a better society, we must act together and share knowledge, expertise and technology. This means maintaining the highest standards and principles on human rights, labour, the environment and anti-corruption. As an employer, we strive to guarantee an inspiring, rewarding and safe place to work. We constantly increase the sustainability and energy performance of our solutions to create better living standards for current and future generations.

OUR RACE TO NET ZERO EMISSIONS

Objectives:
Fight climate change through decarbonisation and resource efficiency

Deliver on our SBTi commitment

Targets:
- Net zero Scopes 1 & 2 by 2030
- 25% reduction Scope 3 by 2030
- Net zero Scopes 1, 2, 3 by 2050

Target activities
- Reduction of direct energy consumption & electrification
  - Conversion process energy (from gas to heat pumps)
  - Optimisation electrification
  - Increase owned energy (solar panels, wind mills, ...)
  - Zero emission company vehicles
- Decrease in product carbon intensity from key suppliers
- Zero waste to landfill
- Increased usage of harvested water
- Recovery of EOL value
- Reduction of distribution inefficiency

OUR RACE TO MAX POSITIVE PERFORMANCE

Objectives:
Foster a trustful and caring culture; stimulate empowerment and collaboration; embrace Simply Safe; develop talents and skills

Maximise our products' contribution for people, planet and society

People targets:
- Safety performance
  - Frequency 1: ≤ 2 by 2030
  - Frequency 2: ≤ 5 by 2030
- Employee satisfaction
  - Deploy employee Net Promotor Score (eNPS) in the organisation
- Diversity & inclusion
  - 25% women overall by 2030
  - 25% women in management position (≥ Hay Grade 18) by 2030
- e-learning (completion rate: ≥95%) sustainability, cybersecurity, governance, Simply Safe

Solution targets:
- Sustainable practices at production site
- Certification: VOC+, highest certification to date on volatile organic compounds (VOC) for all PIR products by 2030
- Ecodesign: transition to increased detachable, recyclable and circular products

Stakeholder dialogue

Recticel is committed to clear and constant communication with our stakeholders, including shareholders, investors, customers, trade associations, employees and communities. We maximise opportunities for fruitful dialogue, also with authorities and knowledge institutes.

Stakeholders	COMMITMENTS	COMMUNICATION TOOLS
Shareholders and investors	• Timely disclosure of information such as operating results, management policies, plans and events • Building trust-based relationships • Shareholder returns	• Corporate website, especially Investor Relations section • Annual and half-year reports • AGM and EGM with video broadcasting • Disclosing information to rating organisations • Analyst meetings • 2022 Roadshows (financial, ESG and sustainability conferences): 11 roadshows, 180 contacts (individual or in group) • Contacts with reference shareholders
Customers	• Providing safe, secure and quality products • Building trust-based relationships • Improving customer satisfaction through products, service and support • Fair and equitable transactions	• Product brochures • Quality Assurance Certificates • Activity websites • Interactions • Calculation tools (insulation)
Trade associations	• Active and voluntary cooperation to solve common problems, meet common needs and accomplish common goals to build the industry	• Steering committee • Technical committee • Working groups
Employees	• Providing a safe and rewarding workplace • Enhancing systems and education to maximise their capabilities • Open communication with employees and their representatives	• Digital Workplace • CEO talks • Team meetings • Employee Performance Management Discussion (EPMD) • Simply Safe campaign • Training programmes • Social dialogue (local and European Works Council)
Local communities	• Ensuring safe and secure plant operations • Building and maintaining trust-based relationships • Contributing to community development	• Exchanging opinions and cooperating with local governments and neighbouring companies • Supporting local social events

ESG ratings and transparency

Our ambition is to be a leader in our industry for climate change action and an equitable society. For many years, Recticel has been committed to strong performance on both financial and non-financial criteria. Transparency on objectives and performance is key to earning and retaining the trust and support of shareholders, who are increasingly interested in companies with solid ESG commitments and scores.

We pursue ESG ratings to measure our performance, provide clarity and identify areas where we can improve. Through MSCI, we provide institutional investors with robust assurance of our company's resilience to long-term, industry material environmental, social and governance (ESG) risks. In disclosing environmental data through CDP, we join more than 5,800 companies in Europe and over 18,700 globally. We are rated by Morningstar Sustainalytics on our exposure to ESG risk and by Ecovadis on the integration of sustainability into our business and management system with regard to environment, labour & human rights, ethics and sustainable procurement.

As our business scope changes (from plastic product manufacturer to building products), so will our benchmarking peers and our evaluations, and we remain committed to providing the most appropriate and useful ratings for our stakeholders.

CDP DISCLOSURE INSIGHT ACTION MSCI ecovadis MOODY'S MORNINGSTAR | SUSTAINALYTICS S&P Global

Our sustainability governance

The Recticel Board of Directors ensures that sustainability is embedded in the corporate strategy. It reviews the ESG strategy on a regular basis to make sure that appropriate sustainability standards and reporting frameworks are in place.

The overall responsibility for our sustainability ambitions, strategy, reporting and issues management resides with the Chief Executive Officer (CEO), who engages monthly with the Management Committee to review the co-ordination of the company's roadmap for reporting and execution. The Management Committee leads a cross-functional Sustainability Task Force, oversees data gathering and compliance reporting to external benchmarks, and steers communication on sustainability matters with internal and external stakeholders.

Managing for success

Board of Directors

On 31 December 2022, the Board consisted of 1 Executive Director, 1 Non-executive Director and 5 Independent Directors. Johnny Thijs is Chairman of the Board and Olivier Chapelle is Managing Director.



From left to right
Kurt Pierloot, Independent Director - Elisa Vlerick, Independent Director - Filip Balcaen, Non-executive Director - Johnny Thijs, Chairman and Independent Director
Olivier Chapelle, Executive Director and Managing Director - Ingrid Merckx, Independent Director - Luc Missorten, Independent Director

2022

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Johnny Thijs
Belgian
Independent Director

Born: 1952
Recticel mandates: Chairman Board of Directors, Chairman Remuneration & Nomination Committee, Member Audit Committee
Start of mandate: 2015
End of mandate: 2023
Education: Commercial Engineering at University of Limburg
Primary functions outside Recticel: Chairman Board of Directors of Electrabel, Hospital Logistics and Golazo, Member Board of Directors of Essers



Olivier Chapelle
Belgian
Executive Director

Born: 1964
Recticel mandates: Managing Director, Member Board of Directors
Start of mandate: 2009
End of mandate: 2025
Education: Civil Engineering Mechanics at University of Louvain and Business Management at Solvay Business School
Primary functions outside Recticel: Member Board of Directors and Remuneration & Nomination Committee of Cofinimmo, Member Board of Directors of the Innovation Fund, Member Board of Directors of Calyos.



Filip Balcaen
Belgian
Non-executive Director

Born: 1960
Recticel mandates: Member Board of Directors and Remuneration & Nomination Committee
Start of mandate: 2022
End of mandate: 2025
Education: TEW (Economics) - Antwerp
Primary functions outside Recticel: Executive Chairman of Baltisse NV, Chairman of House of Talents, Chairman of Polflam, Chairman of Baobab, Member Board of Directors of Pentahold



Elisa Vlerick
Belgian
Independent Director

Born: 1986
Recticel mandates: Member Board of Directors and Audit Committee
Start of mandate: 2019
End of mandate: 2025
Education: BA (Hons) History in UK, MA Law at University of Leuven, Master in BA in Switzerland, MA Corporate Law at University of Leuven
Primary functions outside Recticel: Partner of 9.5 Ventures VC fund, Member Board of Directors of Vlerick Group



Luc Missorten
Belgian
Independent Director

Born: 1955
Recticel mandates: Member Board of Directors and Remuneration & Nomination Committee, Chairman Audit Committee
Start of mandate: 2015
End of mandate: 2024
Education: Degree in Law at University of Leuven
Primary functions outside Recticel: Member Board of Directors and Chairman Audit Committee of GIMV, Managing Director of Lubis BV



Ingrid Merckx
Belgian
Independent Director

Born: 1966
Recticel mandates: Member Board of Directors and Audit Committee
Start of mandate: 2012
End of mandate: 2025
Education: Master in Civil Engineering at University of Leuven
Primary functions outside Recticel: Independent Consultant for IMRADA BV and Rodina NV



Kurt Pierloot
Belgian
Executive Director

Born: 1972
Recticel mandates: Member Board of Directors and Remuneration & Nomination Committee
Start of mandate: 2015
End of mandate: 2024
Education: Commercial Engineer at Solvay Business School
Primary functions outside Recticel: CEO Bleckmann

Management Committee

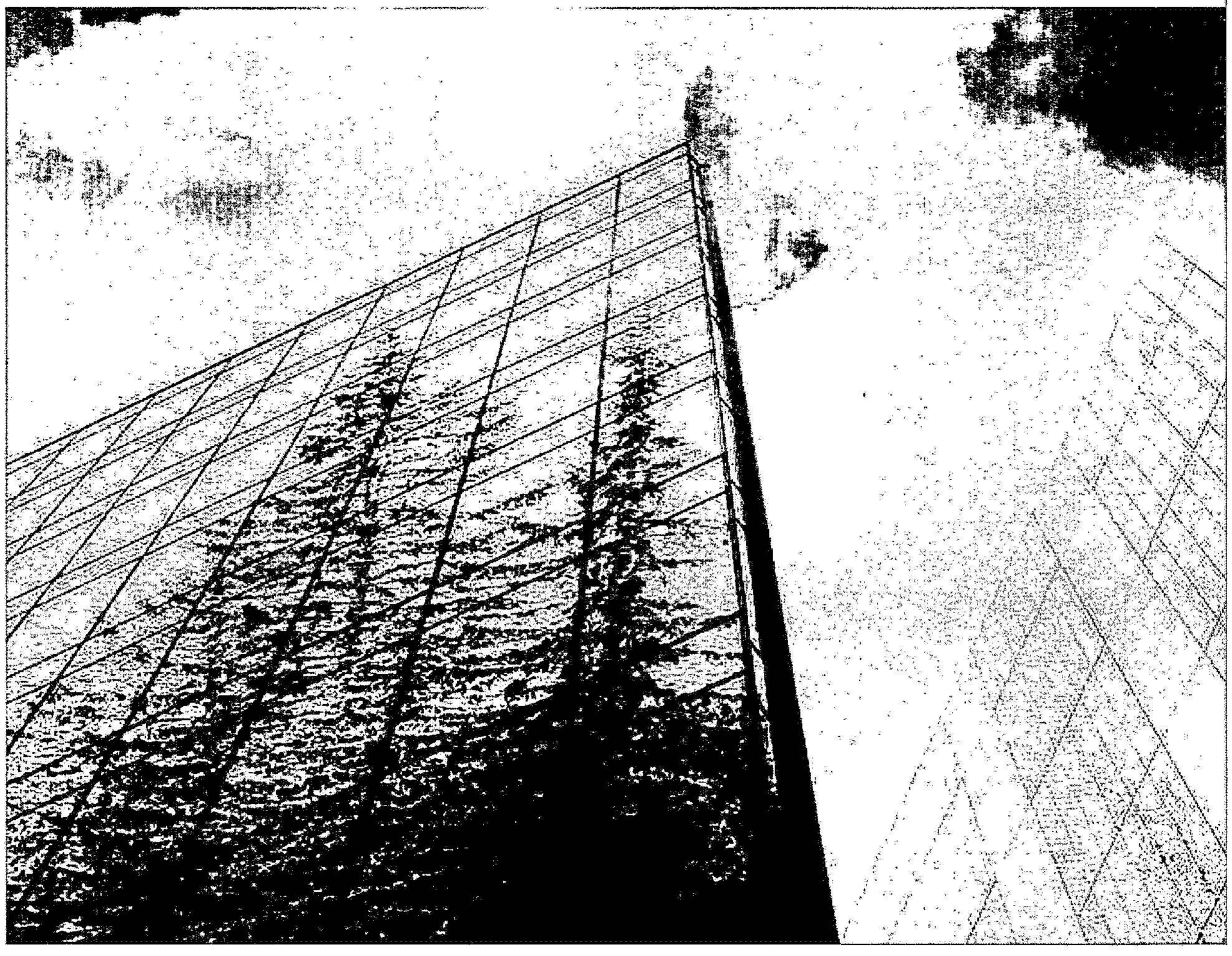
The Board of Directors has entrusted the day-to-day management of Recticel to its Managing Director and Chief Executive Officer, who is assisted by the Management Committee.



From left to right
Rob Nijskens, Chief Human Resources Officer - Betty Bogaert, Chief Information & Digitalisation Officer - Olivier Chapelle, Chief Executive Officer - Božo Černila, General Manager Trimo Insulated Panels - Dirk Verbruggen, Chief Financial & Legal Officer - Ralf Becker, General Manager Insulation Boards

2022

EU TAXONOMY



In July 2021, the European Climate Law entered into force, writing the goals of the European Green Deal into legislation. The law set a legally binding target of net zero greenhouse gas emissions by 2050 for member states, with an intermediary target of reducing net emissions by at least 55% by 2030 compared to 1990 levels.

The European Commission has long recognised the essential role of sustainable finance in meeting its policy objectives. The EU Action Plan on Financing Sustainable Growth (which was published in 2018) led to the creation of the EU Taxonomy,[11] a classification system for sustainable economic activities that can be used by companies, investors and policymakers to help shift financing towards environmentally sustainable undertakings through the provision of clear metrics. The EU Taxonomy has been a requirement since July 2021 and its application in tandem with the upcoming CSRD will provide a more comprehensive and rigorous foundation for the achievement of the European Green Deal objectives.

[11] *Regulation (EU) 2020/852 (the 'Taxonomy Regulation') was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020.*

The Taxonomy provides a set of technical screening criteria for assessing whether an economic activity is environmentally sustainable. The performance thresholds in these criteria are science-based and developed on the basis of a robust methodology and an inclusive process. To be considered taxonomy-eligible an activity must make a substantial contribution to at least one of six environmental objectives:[12]



Climate change mitigation



Climate change adaptation



Sustainable use and protection of water and marine resources



Transition to a circular economy



Pollution prevention and control



Protection and restoration of biodiversity and ecosystems

Specific screening criteria for the first two objectives – climate change mitigation and adaptation – were published on 9 December 2021 and have been applicable since January 2022. In our 2021 Annual Report we reported on the taxonomy eligibility of our economic activities, covering the climate change mitigation objective.

[12] *FAQ: What is the EU Taxonomy and how will it work in practice? (europa.eu) https://finance.ec.europa.eu/system/files/2021-04/sustainable-finance-taxonomy-faq_en.pdf*

Taxonomy eligible and aligned

For 2022, the requirement was extended to report on the economic activities that are considered to be taxonomy eligible as well as taxonomy aligned for climate change mitigation and climate change adaption.

The criteria for alignment set out in the Taxonomy Regulation are:

a) The economic activity complies with the technical screening criteria in the Climate Delegated Act supplementing the Taxonomy Regulation.
b) It does not significantly harm any of the other 5 environmental objectives.
c) It is carried out in compliance with the minimum social safeguards (OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, Fundamental Conventions of the International Labour Organisation (ILO), International Bill of Human Rights)

The economic activity can only be considered 'aligned' when **all conditions** are met.

Recticel EU Taxonomy 2022 outcome

We performed a review of our relevant management practices to assess whether the requirements for EU Taxonomy alignment have been met for the fiscal year 2022. The information on the next pages provides a breakdown related to our eligible and aligned economic activities in 2022 that make a substantial contribution to climate change mitigation.

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Meeting the technical screening criteria

Within Recticel's portfolio, the insulation boards (thermal and thermo-acoustic), insulated panels and vacuum insulation panels for building were assessed on its eligibility and meeting the technical screening criteria. No EU Taxonomy category of economic activity is available for our vacuum insulated panels for packaging.

- Our thermal **insulation boards** consist of high-performance Polyisocyanurate (PIR) foam laminated between two facing materials. They provide highly effective insulation in all areas of the building envelope, including flat, tapered and pitched roofs, cavity walls, floors, internal linings and external wall insulation systems.
- Our metal faced mineral wool **insulated panels** are high energy efficient and single, factory engineered components that are typically fixed directly to the structural frame of buildings to provide both insulation and weather protection. There is no cavity in this type of cladding construction.
- Our **vacuum insulated panels** for buildings, with ultra-low thermal conductivity and high thermal resistance, offer superior insulation performance compared to traditional insulation materials.
- Our **thermo-acoustic insulation boards** are designed for partition wall applications, representing an impactful sound reduction in rooms whilst offering good thermal performance. They are made from recycled PU foams from end-of-life mattresses, reducing waste and environmental impact.

Environmental Objective	ECONOMIC ACTIVITY	EU TAXONOMY CATEGORY OF ECONOMIC ACTIVITY	TECHNICAL SCREENING CRITERIA
Climate change mitigation	Insulation boards	Category 3.5 Manufacture of energy efficiency equipment for buildings	Insulating products with a lambda value lower or equal to 0.06 W/mK
	Insulated panels	Category 3.5 Manufacture of energy efficiency equipment for buildings	External wall systems with U-value lower or equal to 0.5 W/m²K Roofing systems with U-value lower or equal to 0.3 W/m²K
	Vacuum insulated panels for buildings	Category 3.5 Manufacture of energy efficiency equipment for buildings	Insulating products with a lambda value lower or equal to 0.06 W/mK
	Thermo-acoustic boards	Category 3.5 Manufacture of energy efficiency equipment for buildings	Insulating products with a lambda value lower or equal to 0.06 W/mK

Table 1: 2022 Turnover related to Taxonomy eligible activities meeting the technical criteria

Economic activity	% TURNOVER ELIGIBLE FOR EU TAXONOMY ALIGNMENT
Manufacture of energy efficiency equipment for buildings	90.7%
Other out-of-scope solutions (accessories, jointing elements, ...)	0.9%

Table 2: 2022 CapEx and OpEx related to Taxonomy eligible activities meeting the technical criteria

KPI	% CAPEX/OPEX ELIGIBLE FOR EU TAXONOMY ALIGNMENT
related to capital expenditure (CapEx)	92.5%
related to operational expenditure (OpEx)	82.8%

Turnover KPI: proportion of turnover derived from products or services associated with economic activities that are taxonomy-eligible. Turnover is based on „net turnover" according to Art. 2(5) of the Accounting directive.

CapEx KPI: proportion of the capital expenditure of an activity that is either already taxonomy-eligible (as of FY22) or is part of a credible plan to extend or reach taxonomy alignment. CapEx provides a dynamic and forward-looking view of companies' plans to transform their business activities.

OpEx KPI: proportion of the operating expenditure associated with taxonomy-eligible (as of FY22) activities or to the CapEx plan. The operating expenditure covers direct non-capitalised costs relating to research and development, renovation measures, short-term lease, maintenance and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective use of such assets.

3.3.2.2 Meeting the Do Not Significant Harm (DNSH) criteria

We have completed an EU Taxonomy Gap assessment on all Recticel activities that qualify for a EU Taxonomy category of economic activity. Its recommendations will be implemented in the integration process underway.

In respect to the Do Not Significant Harm (DNSH) criteria, the assessment revealed that a few questions need to be addressed, and further underlying documentation will be required for the audit trail required on FY2024. Upon evaluation, the management is confident that substantial part of its business activity and up to 90.7%[13] in revenue will be aligned meeting the DNSH criteria upon final finalisation of the underlying documentation in the course of 2023.

[13] *Table 1. 2022 Turnover related to Taxonomy eligible activities meeting the technical criteria*

3.3.2.3 Compliance with Minimum Safeguards

Minimum safeguards in the context of the EU Taxonomy refer to a set of social and governance criteria that must be met by economic activities that are considered environmentally sustainable. The inclusion of these safeguards in the EU Taxonomy is seen as an important step in ensuring that the transition to a sustainable economy is equitable and respects the rights of workers, communities and the environment.

Alignment with the following guidelines and principles is required:

- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- Fundamental Conventions of the International Labour Organisation (ILO)
- International Bill of Human Rights

We also assessed compliance with the final report of the Platform on Sustainable Finance on Minimum Safeguards[14], focusing on human/labor rights throughout the value chain, bribery/corruption, taxation and fair competition. For compliance with the minimum social safeguards, companies need to have adequate due diligence processes in place and prove the absence of certain negative impacts or events.

We declare that in relation to the minimum safeguards Recticel has not been found in violation of labor or human rights, anti-corruption, tax or competitions law in the 5 years period preceeding this annual report. Nor did Recticel had any interaction with an OECD National Contact Point or a Business and Human Rights Contact Center.

Following the acquisition of Trimo d.o.o. in April 2022, and in view of the double materiality exercise required under the CSR, Recticel is in the process of updating its compliance procedures and is implementing the required risk management and due diligence processes for its value chain.

[14] *Final Report on Minimum Safeguards (europa.eu)*
https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf

Conclusion on 2022 Taxonomy alignment

90.7% of Recticel's activities (turnover) is meeting the technical criteria and being Taxonomy eligible, but are not yet fully aligned with respect to the DNSH and Minimum Safeguard criteria. Hence, according to the criteria of EU Taxonomy, 0% of our activity was taxonomy aligned over 2022. Management is confident to boost this figure to 90.7% EU Taxonomy alignment during 2023 with respect to the environmental objective of climate change mitigation.

2022 EU Taxonomy reporting table

				Substantial contribution criteria		DNSH criteria ('Do Not Significantly Harm')									
	CODE	ABSOLUTE VALUE	PROPORTION	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER AND MARINE RESOURCE	CIRCULAR ECONOMY	POLLUTION	BIODIVERSITY AND ECOSYSTEMS	MINIMUM SAFEGUARDS	TAXONOMY ALIGNED PROPORTION OF TURNOVER, YEAR 2022	ENABLING ACTIVITY	TRANSITIONAL ACTIVITY
Profit and loss account		IN THOUSANDS EUR	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
TURNOVER (2022)															
A. Taxonomy-eligible activities															
A1. Environmentally sustainable activities (Taxonomy-aligned)															
Manufacture of energy efficiency equipment for buildings	3.5														
Turnover of environmentally sustainable activities (Taxonomy-aligned activities)		0	0,0%												
A2. Taxonomy-eligible but not environmetally sustainable activities (not Taxonomy-aligned activities)															
Manufacture of energy efficiency equipment for buildings	3.5			Y	-	N/A	N	Y	Y	Y	Y	N	90.7%	E	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		509.084	90.7%												
Total turnover of Taxonomy-eligible activities (A1 + A2)		509.084	90.7%										90.7%		
B. Taxonomy-non-eligible activities															
Turnover of Taxonomy-non-eligible activities (B)		52.431	9.3%												
Total turnover of Taxonomy-eligible and non-eligible activities (A+B)		561.516	100,0%												

Profit and loss account	CODE	ABSOLUTE VALUE	PROPORTION	Substantial contribution criteria: CLIMATE CHANGE MITIGATION	Substantial contribution criteria: CLIMATE CHANGE ADAPTATION	DNSH criteria ('Do Not Significantly Harm'): CLIMATE CHANGE MITIGATION	DNSH criteria ('Do Not Significantly Harm'): CLIMATE CHANGE ADAPTATION	DNSH criteria ('Do Not Significantly Harm'): WATER AND MARINE RESOURCE	DNSH criteria ('Do Not Significantly Harm'): CIRCULAR ECONOMY	DNSH criteria ('Do Not Significantly Harm'): 100,0%	DNSH criteria ('Do Not Significantly Harm'): BIODIVERSITY AND ECOSYSTEMS	DNSH criteria ('Do Not Significantly Harm'): MINIMUM SAFEGUARDS	TAXONOMY ALIGNED PROPORTION OF CAPEX / OPEX, YEAR 2022	ENABLING ACTIVITY	TRANSITIONAL ACTIVITY
		IN THOUSANDS EUR	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
CAPEX (2022)															
A. Taxonomy-eligible activities															
A1. Environmentally sustainable activities (Taxonomy-aligned)															
Manufacture of energy efficiency equipment for buildings	3.5														
CapEx of environmentally sustainable activities (Taxonomy-aligned activities)		0	0,0%												
A2. Taxonomy-eligible but not environmetally sustainable activities (not Taxonomy-aligned activities)															
Manufacture of energy efficiency equipment for buildings	3.5			Y	-	N/A	N	Y	Y	Y	Y	N	92,5%	E	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		10.187	92.5%												
Total CapEx of Taxonomy-eligible activities (A1 + A2)		10.187	92,5%										92,5%		
B. Taxonomy-non-eligible activities															
CapEx of Taxonomy-non-eligible activities (B)		829	7,5%												
Total CapEx of Taxonomy-eligible and non-eligible activities (A+B)		11.016	100%												

Profit and loss account	CODE	ABSOLUTE VALUE	PROPORTION	Substantial contribution criteria: CLIMATE CHANGE MITIGATION	Substantial contribution criteria: CLIMATE CHANGE ADAPTATION	DNSH criteria ('Do Not Significantly Harm'): CLIMATE CHANGE MITIGATION	DNSH criteria ('Do Not Significantly Harm'): CLIMATE CHANGE ADAPTATION	DNSH criteria ('Do Not Significantly Harm'): WATER AND MARINE RESOURCE	DNSH criteria ('Do Not Significantly Harm'): CIRCULAR ECONOMY	DNSH criteria ('Do Not Significantly Harm'): 100,0%	DNSH criteria ('Do Not Significantly Harm'): BIODIVERSITY AND ECOSYSTEMS	DNSH criteria ('Do Not Significantly Harm'): MINIMUM SAFEGUARDS	TAXONOMY ALIGNED PROPORTION OF CAPEX / OPEX, YEAR 2022	ENABLING ACTIVITY	TRANSITIONAL ACTIVITY
		IN THOUSANDS EUR	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
OPEX (2022)															
A. Taxonomy-eligible activities															
A1. Environmentally sustainable activities (Taxonomy-aligned)															
Manufacture of energy efficiency equipment for buildings	3.5														
OpEx of environmentally sustainable activities (Taxonomy-aligned activities)		0	0,0%												
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Manufacture of energy efficiency equipment for buildings	3.5			Y	-	N/A	N	Y	Y	Y	Y	N	82,8%	E	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		143.123	82,8%												
Total CapEx of Taxonomy-eligible activities (A1 + A2)		143.123	82,8%										82,8%		
B. Taxonomy-non-eligible activities															
OpEx of Taxonomy-non-eligible activities (B)		29.833	17,2%												
Total OpEx of Taxonomy-eligible and non-eligible activities (A+B)		172.957	100,0%												

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04 BUSINESS PERFORMANCE 2022



04.1 Executive summary

- **Net sales increase from €449.2 million[15] in 2021 to €561.5 million (+25.0%) in 2022, of which €129.2 million contribution from Trimo[16] and a €48.9 million reduction following the phasing out of sales of chemicals to divested Automotive companies**
- **Adjusted EBITDA: from €48.4 million[15] to €62.2 million (+28.4%)**
- **Result of the period (share of Recticel): from €53.5 million to €63.2 million**
- **Proposal to pay an increased gross dividend of €0.31 per share**

Olivier Chapelle (CEO Recticel): *"The European construction market has become increasingly challenging as the year 2022 unfolded, with growing economic uncertainties and historically high inflation and rising interest rates weighing progressively more and more on construction activities. In that environment, I am proud of all our employees and want to thank them. In 2022, their focus and contributions have allowed to deliver, when compared to 2021, slightly higher volumes in Insulation Boards and flat volumes in Insulated Panels. Reactivity on pricing and margin management have in turn contributed to deliver solid results.*

With the acquisition of Trimo on 1 May 2022, now fully integrated, we have created a broader basis for further internal and external growth.

With regard to ESG and sustainable development, after having announced our commitment to the SBTi, we can report a 11.2% reduction in our Scope 1 & 2 carbon emissions in 2022 versus reference year 2021."

The year 2022 has been very challenging due to the consequences of the geopolitical turmoil. During that year, our business has resisted well and is well positioned at the beginning of 2023, despite the current lack of visibility. Margin management, growth initiatives and further progress on ESG are the priorities in 2023.

The environment is expected to remain volatile and provides little visibility on the short term. The company expects its 2023 Adjusted EBITDA to be materially below the result of 2022.

[15] As announced in the press release of 10 August 2022, the Engineered Foams activities which are currently in the process of being divested, have been accounted for as Discontinued Operations (IFRS 5). For comparison purposes the formerly published 2021 income statements and cash flow statements have been restated accordingly.
[16] Trimo d.o.o. (Insulated Panels) is fully consolidated as of 1 May 2022.

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Consolidated group results

in million EUR

	2021 RESTATED	2022	%
Sales	**449.2**	**561.5**	**25.0%**
Gross profit	84.9	104.7	23.3%
as % of sales	18.9%	18.7%	
Adjusted EBITDA	**48.4**	**62.2**	**28.4%**
as % of sales	10.8%	11.1%	
EBITDA	**50.3**	**55.0**	**9.4%**
as % of sales	11.2%	9.8%	
Adjusted operating profit (loss)	**35.6**	**43.1**	**21.0%**
as % of sales	7.9%	7.7%	
Operating profit (loss)	**37.5**	**34.9**	**-6.9%**
as % of sales	8.3%	6.2%	
Financial result	**(1.9)**	**(9.9)**	**n.m.**
Income from other associates [17]	**0.5**	**(1.2)**	**n.m.**
Impairment other associates	**0.0**	**0.0**	**n.m.**
Change in fair value of option structures	**(7.3)**	**2.3**	**n.m.**
Income taxes	**5.2**	**(15.4)**	**n.m.**
Result of the period of continuing operations	**33.9**	**10.8**	**n.m.**
Result of discontinued operations	**20.4**	**52.8**	**n.m.**
Result of the period (share of the Group)	**53.5**	**63.2**	**18.0%**
Result of the period (share of the Group) - base (per share, in EUR)	0.96	1.13	17.5%

in million EUR

	31 DEC 2021	31 DEC 2022	%
Total equity	**391.3**	**446.9**	**14.2%**
Net Financial Debt (incl. IFRS 16 - Leases)	147.8	248.4	n.m.
Gearing ratio (Net financial debt / Total equity)	**37.8%**	**55.6%**	
Leverage ratio (Net financial debt / EBITDA) [18]	1.3	2.1	

[17] Income from other associates = income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss); i.e. Proseat (until April 2022) and Ascorium (formerly Automotive Interiors)
[18] The pro forma leverage ratio = Net financial debt (after application of IFRS 5) divided by the sum of (a) (EBITDA (last 12 months) (before application of IFRS 5) and (b) EBITDA (last 12 months) of the recently acquired

The following changes in the scope of consolidation took place in 2022:

- Application of IFRS 5 to the Engineered Foams activities, which are in process of being sold.
- Disposal on 31 March 2022 of the Bedding activities, which were already accounted for as discontinued operations on 31 December 2021.
- Acquisition of Slovenia-based Trimo d.o.o., which has been fully consolidated as of 1 May 2022.

Anticipating the divestment, the Engineered Foams activities have been carved-out and part of the former central corporate activities and related costs have been transferred to Engineered Foams.

Net sales also comprise the sale of chemical raw materials at cost to the Proseat and TEMDA2/Ascorium (formerly Automotive Interiors) companies. Both supply agreements have been terminated, Ascorium as of 1 July 2021 and Proseat as of 1 April 2022.

The results of the Automotive joint-ventures (i.e. Proseat and TEMDA2/Ascorium) are reported under 'Income from other associates'. The remaining 25% participation in Proseat was sold on 20 May 2022 following the exercise of our put option on 14 April 2022.

As from 2022, as it became a pure Insulation player, Recticel is reporting on a single segment basis.

Net Sales: from €449.2 million[15] in 2021 to **€561.5 million** in 2022.

in million EUR

	1Q2021 RESTATED [15]	2Q2021 RESTATED [15]	3Q2021 RESTATED [15]	4Q2021 RESTATED [15]	FY2021 RESTATED [15]	1Q2022	2Q2022	3Q2022	4Q2022	FY2022	% FY
Net sales	105.7	123.9	107.6	112.0	**449.2**	120.7	153.6	153.5	133.7	**561.5**	25.0%

Full year 2022:

FY2022 sales increased by 25.0% from €449.2 million[15] to €561.5 million, including €129.2 million contribution from Trimo[16], a €48.9 million reduction in sales of chemicals to divested Automotive companies and a +0.04% currency impact.

Adjusted EBITDA: from €48.4 million[15] in 2021 to **€62.2 million** in 2022. Adjusted EBITDA margin increased from 10.8% to **11.1%.**

in million EUR

	1H2021 RESTATED [15]	2H2021 RESTATED [15]	FY2021 RESTATED [15]	1H2022	2H2022	FY2022	% FY
Adjusted operating profit (loss)	22.3	26.1	**48.4**	29.4	32.8	**62.2**	28.4%

The slightly higher volumes, pricing discipline and the successful integration of Trimo as from 1 May 2022 led to improved operational profitability, despite strong inflationary pressure on all input costs.

Adjusted operating profit (loss): from €35.6 million[15] in 2021 to **€43.1 million** in 2022 Adjusted operating profit (loss) margin decreased from 7.9% to **7.7%.**

in million EUR

	1H2021 RESTATED [15]	2H2021 RESTATED [15]	FY2021 RESTATED [15]	1H2022	2H2022	FY2022	% FY
Adjusted operating profit (loss)	15.8	19.8	**35.6**	22.7	20.4	**43.1**	21.0%

Adjustments to Operating profit (loss):

in million EUR

	1H2021	2H2021 RESTATED [15]	FY2021 RESTATED [15]	1H2022	2H2022	FY2022
Restructuring charges and provisions	(0.6)	0.0	(0.6)	(1.1)	(0.1)	(1.3)
Other	0.3	2.2	2.5	(3.5)	(2.4)	(5.9)
Total impact on EBITDA	**(0.3)**	**2.2**	**1.9**	**(4.6)**	**(2.6)**	**(7.2)**
Impairments	0.0	(0.0)	(0.0)		(1.0)	(1.0)
Total impact on Operating profit (loss)	**(0.3)**	**2.1**	**1.9**	**(4.6)**	**(3.6)**	**(8.2)**

Adjustments to Operating profit (loss) on continuing operations in 2022 amount to €-8.2 million and include:

- €-1.3 million of restructuring costs,
- €-5.9 million of other adjustments, which relate mainly to (i) legal and financial advisory fees (€-1.6 million) primarily linked to the acquisition of Trimo, (ii) a fair value adjustment on inventories by application of IFRS 3 (reversal of inventory step up values) resulting from the purchase price allocation of Trimo (€-2.7 million).
- €-1.0 million impairment on right of use assets following the expected reduced usage of the IHQ building following the anticipated divestment of Engineered Foams.

Adjustments to Operating profit (loss) on continuing operations in 2021 amounted to €+1.9 million and included:

- €-0.6 million of restructuring costs,
- €+2.5 million of other adjustments, which relate mainly to (i) legal and financial advisory fees (€-1.7 million) primarily linked to the dealings related to the Greiner offer, (ii) a revaluation allowance for investment property in Belgium (€+4.2 million)

EBITDA: from €50.3 million in 2021 to **€55.0 million**[16] in 2022.
EBITDA margin decreased from 11.2% to **9.8%**.

Operating profit (loss): from €37.5 million in 2021 to **€34.9 million**[16] in 2022.
Operating profit (loss) margin decreased from 8.3% to **6.2%.**

Financial result: €-9.9 million[16] (€-1.9 million in 2021)

Net interest charges: €-5.2 million (€-3.0 million in 2021)

Other net financial income and expenses: from €+1.2 million in 2021 to €-4.7 million in 2022. This item comprises mainly exchange rate differences (from €+1.1 million in 2021 to €-4.9 million in 2022) including a €-6.2 million reversal of historic currency translation adjustments as a result of the liquidation of a holding company in the UK.

Income from other associates: €-1.2 million (€+0.5 million in 2021) relates to the negative result of TEMDA2 (at 49%). The participation in Proseat had been fully impaired at the end of 2020 reducing its book value to zero. Hence the FY2022 income statement of Recticel was not impacted by the negative results of Proseat, which has been fully divested on 20 May 2022.

Fair value of option structures: €+2.3 million (€-7.3 million in 2021), results from the reversal of the previously recognised additional provision for Proseat.
The value of the put/call structure on the remaining 49% participation in TEMDA2/Ascorium (formerly Automotive Interiors) was maintained at "zero" value in accordance with the underlying valuation method.

Income and deferred taxes: €-15.4 million (€+5.2 million in 2021)

- Current income tax: €-8.8 million (€-4.4 million in 2021);
- Current tax charges mainly relate to charges in Belgium (€-2.0 million) impacted by effects of carve-out operations and divestments and by the tax charges in our recently acquired Insulated Panels activity Trimo (€-1.9 million) and our Insulation Boards activities in the UK.
- Deferred tax: €-6.6 million (€+9.6 million in 2021);
- The deferred tax charge mainly results from the use of tax losses in Belgium and the adverse one-off impact in Belgium (€-4.7 million) following the change in tax legislation revising downwards the limit on the use of fiscal losses.

Result of the period from continuing operations: €10.8 million (€33.9 million 2021).

Result from discontinued operations: €52.8 million (€20.4 million in 2021). The result from discontinued operations mainly represents:

- (i) the result of the period of the Engineered Foams activities which are currently in the process of being sold (€+32.8 million);
- (ii) the result of the first three months of 2022 of the Bedding activities (€+1.3 million);
- (iii) the net capital gain on the disposal of the Bedding activities sold to Aquinos Group (€+17.9 million, including provisions taken for potential indemnities); and
- (iv) the result of various settlements related to the divestment of the Ascorium activities (€+0.8 million).

The total result (restated) of discontinued operations in FY2021 was composed of:

- (i) the result of the period of the Engineered Foams activities which are currently in the process of being sold (€+21.3 million);
- (ii) the net result after taxes of the Bedding activities sold to Aquinos Group (€-2.3 million)
- (iii) the result following various settlements related to the divestment of the Ascorium (formerly Automotive Interiors) activities (€+1.4 million).

Consolidated result of the period (share of the Group): €63.2 million (€53.5 million in 2021).

Financial position

in million EUR

	31 DEC 2021	31 MAR 2022	30 JUN 2022	30 SEP 2022	31 DEC 2022
Total equity	**391.3**	**-**	**417.6**	**-**	**446.9**
Net financial debt excluding factoring	103.8	92.4	247.6	253.2	242.2
+ Lease debt (IFRS 16)	44.0	37.2	7.3	7.2	6.3
Net financial debt	**147.8**	**129.5**	**254.9**	**260.4**	**248.4**
+ Drawn amounts under factoring programs	25.2	0.0	29.5	17.8	13.2
Total net financial debt	**173.0**	**129.5**	**284.4**	**278.2**	**261.7**
Gearing ratio (incl. IFRS 16)	37.8%	-	**61.0%**	-	**55.6%**
Leverage ratio (incl. IFRS 16)	1.3	-	**2.2**	-	**2.1**

Recticel's total net debt position increased by €88.7 million over 2022 to reach €261.7 million, mainly due to (i) the payment of €154.6 million (net of cash) for the acquisition of Trimo, (ii) the deferred payment in January 2022 of CHF 20 million for the acquisition of FoamPartner, (iii) higher net working capital needs resulting from seasonality effects and price inflation, (iv) the dividend payment of €16.2 million; partially offset by (v) the net €84.5 million cash inflow from the disposal of the Bedding activities to Aquinos Group on 31 March 2022 and by (vi) the net proceeds from the sale of investment property in Balen (Belgium) (€7.6 million).

We confirm that all conditions under the financial arrangements with its banks are respected.

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4.0 SUSTAINABILITY REPORT

ENVIRONMENTAL STATEMENT



The European Sustainability Reporting Standards (ESRS) will require organisations to disclose their environmental impact in a more comprehensive and transparent manner, giving stakeholders a better understanding of a company's efforts to promote sustainability. The 'Environmental' section of the ESRS covers a range of topics, including:

ESRS E1 – Climate Change
ESRS E2 – Pollution
ESRS E3 – Water and marine resources
ESRS E4 – Biodiversity and ecosystems
ESRS E5 – Resource use and circular economy

In this Annual Report, we disclose information on the mandatory ESRS E1 (Climate Change). When we report on the 2023 financial year, we will provide further, detailed information on the other environment-related topics defined in our double materiality analysis as having a key material impact.

"Greenhouse gas emissions will need to be cut by 43 percent by 2030 and by 60% by 2035. Warming is to be limited to 1.5°C."[1]

[1] *IPCC report, 2023. The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change. https://www.ipcc.ch/report/ar6/syr/*

Within the Climate Change topic (ESRS E1), disclosure or reporting is required on the following items.

ESRS E1	TOPIC	DESCRIBE OR DISCLOSE THE UNDERTAKING'S	WHERE TO FIND RECTICEL INFORMATION
E1-1	Transition plan for climate change mitigation	Past, current and future mitigation efforts to ensure that its strategy and business model(s) are compatible with the transition to a limiting of global warming to 1.5°C in line with the Paris Agreement achieving climate neutrality by 2050.	4.1.1 Our carbon roadmap
E1-2	Policies related to climate change mitigation and adaptation	Policies that address the identification, assessment, management and/or remediation of its material climate change mitigation and adaptation impacts, risks and opportunities.	Under development
E1-3	Actions and resources in relation to climate change policies	Targets set to support its climate change mitigation and adaptation policies and address its material climate-related impacts, risks and opportunities.	4.1.1 Our carbon roadmap
E1-4	Targets related to climate change mitigation and adaptation	Key actions taken and planned to achieve climate-related policy objectives and target.	In Q3 2023, a detailed plan will be presented to SBTi for approval, with 2021 as the base year.
E1-5	Energy consumption and mix	Total energy consumption in absolute value; improvement in energy efficiency.	4.1.4 Energy consumption, mix and intensity
E1-5	Energy intensity	Exposure to coal, oil and gas-related activities, and the share of renewable energy in its overall energy mix.	4.1.4 Energy consumption, mix and intensity
E1-6	Gross Scopes 1,2,3; Total GHG emissions; GHG intensity	Direct and indirect impacts of the undertaking on climate change and the proportion of its total GHG emission (per scope and combined).	4.1.3 Carbon footprint & GHG intensity – Scope 1,2,3
E1-7	GHG removals and mitigation projects financed through carbon credits	(a) GHG removals and storage from its own operations and its upstream and downstream value chain and (b) the amount of GHG emission reductions or removals from climate change mitigation projects outside its value chain it has financed through any purchase of carbon credits.	Not initiated at this moment
E1-8	Internal carbon pricing	Internal carbon pricing schemes, and if so, how these support its decision making and incentivise the implementation of climate-related policies and targets.	Not initiated at this moment
E1-9	Potential financial effects from material physical and transition risks and potential climate-related opportunities	(a) The potential financial effects due to material physical and transition risks; (b) Financial benefits from material climate-related opportunities.	4.1.5 Climate-related risks and opportunities 4.1.6 Avoided emissions

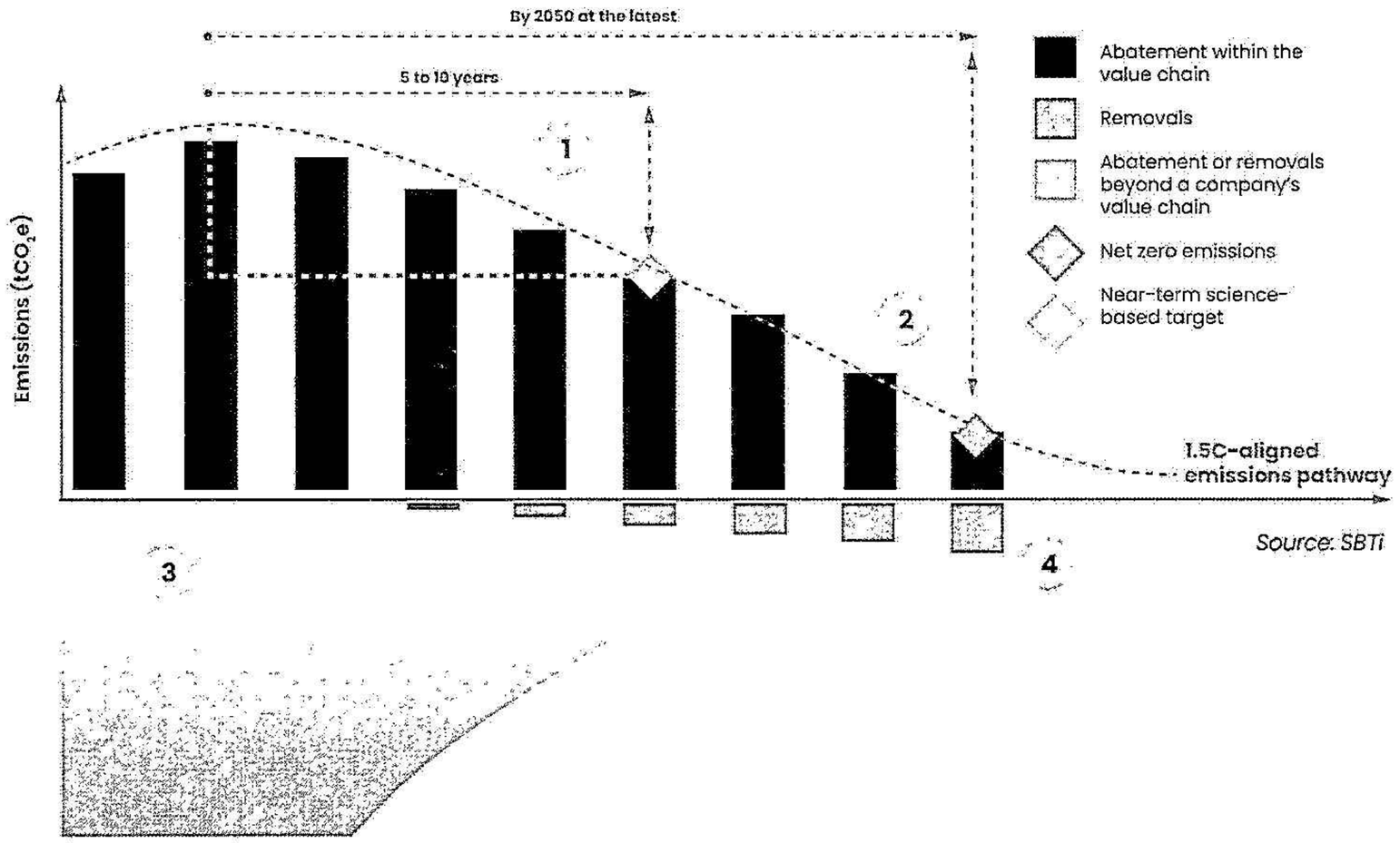
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Our carbon roadmap

Recticel is a pure play insulation company with an unwavering focus on the fight against climate change. Our insulation solutions are designed to deliver a carbon-free economy and a better life for current and future generations. Our overriding goal is net zero emissions, from our own activities, throughout our supply chain and in wider society.

Adhering to the Paris Agreement to pursue efforts to limit global warming to 1.5°C, we joined the Science-based Target initiative (SBTi) community in October 2022.

The SBTi is a partnership between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). It provides companies with a framework to develop science-based targets (SBTs) for greenhouse gas emissions reduction consistent with the latest climate change scenarios and corresponding carbon budgets. SBTs define how much and how quickly companies need to reduce their emissions in order to mitigate climate change.



1. To set near-term SBTs: 5-10 year emission reduction targets in line with 1.5°C pathways.
2. To set long-term SBTs: target to reduce emissions to a residual level in line with 1.5°C scenarios by no later than 2050.
3. Beyond value chain mitigation: in the transition to net zero, companies should take action to mitigate emissions and finance removals beyond their value-chains. For example, purchasing high-quality, jurisdictional REDD+ credits or investing in direct air capture (DAC) and geologic storage.
4. Neutralisation of residual emissions: GHGs emitted when the company has achieved their long-term SBT must be counterbalanced through the permanent removal and storage of carbon from the atmosphere.

OUR SBTI TARGETS

Near-term (2030)
Scopes 1, 2 net zero
Scope 3 reduced by 25.0%

Long-term (2050)
Scopes 1, 2, 3 net zero

In the near term, we have set the target of being net zero on Scopes 1 and 2 by 2030 (versus the base year 2021). We will also commit to reducing our Scope 3 emissions by 25% by 2030, and to reaching net zero by 2050 (versus the base year 2021).

By working towards these ambitious SBTs, we are reducing our carbon footprint, increasing energy efficiency and demonstrating leadership in the transition to a low-carbon economy. To manage this process effectively and to ensure that the sustainability perspective is embedded in all Recticel's activities, a cross-functional Sustainability Task Force was established in September 2022.

Supported by our consultant, *South Pole*, the Task Force is building a specific and comprehensive emissions reduction action plan aligned with the Recticel SBTs, which will be presented to SBTi for approval in Q3 2023. Our progress on this sustainability roadmap is monthly reviewed with the Management Committee.

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Carbon footprint and GHG intensity – Scopes 1, 2 & 3

An activity or organisation's carbon footprint is the total amount of GHGs it emits over time, measured in metric tonnes of carbon dioxide equivalent (tCO_2e). It is calculated by multiplying activity data by the relevant emission factor for these activity data (formula: activity data x emission factor).

All our emissions are calculated according to the Greenhouse Gas Protocol methodology for the full scope of our insulation activities for the years 2021 and 2022. Although Trimo d.o.o. has been part of Recticel since 1 May 2022, its CO_2e emissions have been calculated for the full years 2021 and 2022.

The GHG Protocol sets the world's most widely used standards for companies and organisations to measure and manage their emissions. Direct emissions (Scope 1) are those originating from sources owned or controlled by the reporting entity. Indirect emissions (Scopes 2 and 3) are generated as a result of the reporting entity's activities but occur at sources owned or controlled by another entity.

SCOPE	TYPE	CATEGORY (APPLICABLE TO RECTICEL)
Scope 1	Direct	Fossil fuels (diesel/natural gas/LPG) Company vehicles (incl. leased cars & forklifts) Refrigerant gases
Scope 2	Indirect	Electricity Purchased heat (district heating)
Scope 3	Indirect (upstream)	Purchased goods and services Upstream energy from Scopes 1 & 2 Waste generated in operations Employee commuting Capital goods Upstream transportation and distribution (Transmission and distribution (T&D) losses from electricity) Business travel (air, ground, accommodation) Leased assets
	Indirect (downstream)	Downstream transportation and distribution End-of-Life treatment of sold products

Measuring our carbon footprint

Methodology
- Greenhouse Gas Protocol
- Sources of emission factors: internationally recognised emission factor databases (ecoinvent, BCADEME, IEA, BEIS, Higg), EPD from suppliers, sector and product specific LCA reports, national electricity emission factors from IEA reports.

Scope
- Technical: all greenhouse gases, such as carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), refrigerants (HFCs, PFCs, CFCs) are converted into CO_2 equivalents using Intergovernmental Panel on Climate Change (IPCC) 100-year global warming potential (GWP) coefficients.
- Geographical: all manufacturing sites of Recticel, all offices, warehouses and the Recticel International Headquarters (IHQ) in Brussels.
- Turvac Vacuum Panels (JV) and Trimo Insulated Panels (acquired April 2022) are both considered at 100% for the years 2021 and 2022. As such FY2021 can be considered as baseline for our SBTi commitments.

Reference Year
- For targets and performance evaluation, Recticel uses 2021 as the base year.

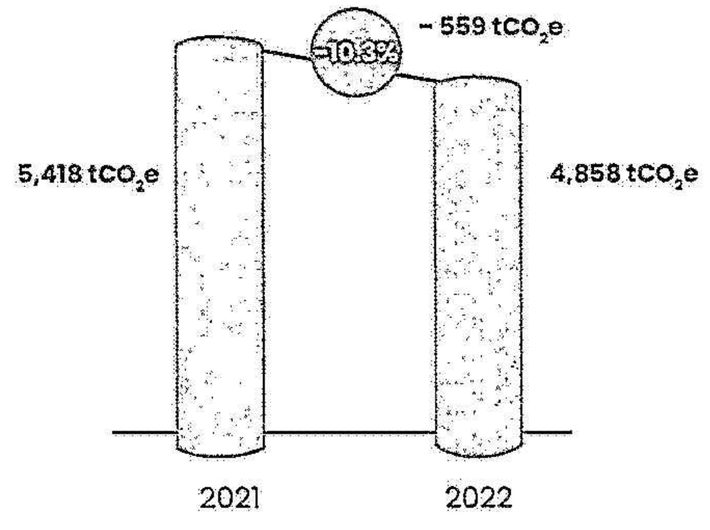
Emissions calculations
- CO_2e emissions are calculated by the external party South Pole (www.southpole.com)

SCOPE	SOURCE OF EMISSIONS	DATA TREATMENT & ASSUMPTIONS	EMISSION FACTORS
1 & 2	Infrastructure fuels	No further data treatment needed	Direct emission factors for fuels used.
	Infrastructure electricity	No further data treatment needed	Location based emisson factors used unless electricity was purchased/produced.
	Company cars	Few data processing required	Average emission factors per unit of fuel consumed used. When data delivered in km, average EU cars' emission factors were used.
	Refrigerants	If available, direct losses data was used. If not an assumption of 10% losses was assumed as prescribed by the Bilan Carbone® methodology.	Generally accepted GWP100 (global warming potential over 100 yrs) of refrigerants were used.
3	Purchased goods & services	Generally data was treated using the following approach: 1) When mass data available, mass based emission factors were used. 2) For the remaining data, spend based data were used to account for the emissions.	If supplier-specific data available, these were used (e.g. some steel sheet & mineral wool suppliers provided EPDs). If not available, average mass based emission factors were used. If mass data were not available, spend based emission factors were used. Majority of emission factors from EcoInvent v3.9, Base Carbone, specific scientific publications & supplier based EF.
	Upstream energy emissions related to Scopes 1+2	See treatment and assumptions Scopes 1+2: each data point has a Scopes 1+2 and a Scope 3 emission factor assigned to it.	See Scopes 1+2
	Waste generated in operations	Waste data was directly available in mass units and was mapped according to different emission factor categories.	Bilan Carbone v8.8
	Employee commuting	Total distances per transport mode were calculated. For some sites, assumptions had to be made on average distance & average transport mode.	Bilan Carbone v8.8
	Capital Goods	No data treatment required	High level spend categories were available that allowed spend-based screening of emissions. Database: Bilan Carbone V8.8
	Upstream & dowstream transportation of goods	Generally two ways of data treatment for both incoming & outgoing transport: 1) Dedicated transport (= full truckload): Total distances of (assumed) full trucks were calculated by CO_2logic using an automised tool. Data gaps were extrapolated (average distance assumed). 2) Shared transport: Distances were calculated using the same tool and gaps were extrapolated similarly. This allowed for calculating data in tonne/km. When data was available in m^3, these were converted based on average kg/m^3 data per site.	Emission factors applied per km (dedicated transport) or tonne/km (shared freight) Database: Bilan Carbone V8.8 & EcoInvent v3.9
	Business travel	CO_2e reports from travel agencies were directly used; distances were calculated using a flight calculator tool when departure & arrival location were available.	Bilan Carbone v8.8 & Defra
	Leased assets	Office data could be directly used to assess the footprint. For warehouses an average energy consumption / m^2 was applied.	Bilan Carbone v8.8
	End of life of sold products	For each activity specific EPDs or industry average EPDs were applied. When required data in m^3 was converted to kg.	EPD

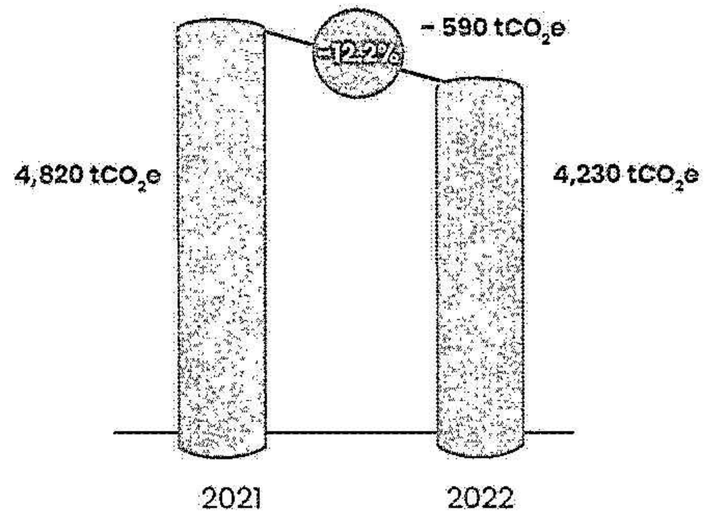
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4.1.3.2 GHG emissions Scopes 1, 2 & 3

Scope 1: 0.6% of company emissions 2022



Scope 2: 0.5% of company emissions 2022



Scope 3: 98.9% of company emissions 2022

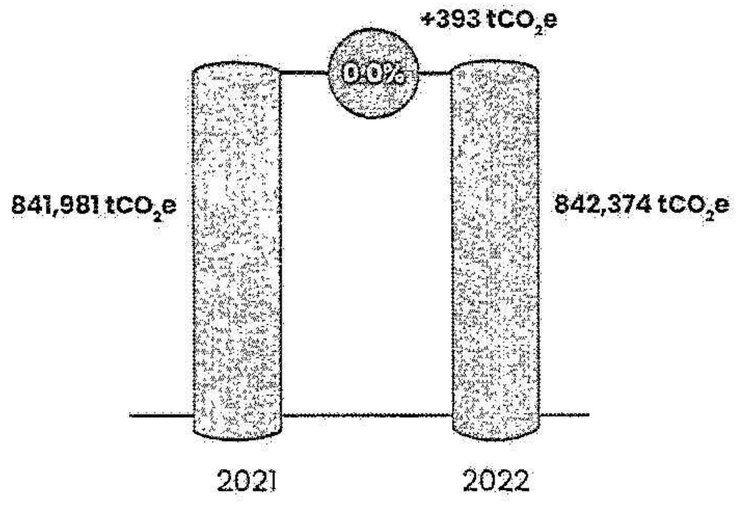


Table 1. Recticel carbon footprint

GHG Indicators (tCO_2e)		2021	2022	Δ tCO_2e	Δ %
Scopes 1+2+3		**852,220**	**851,462** [2]	**-758**	**0.0%**
Scopes 1+2		**10,238**	**9,088**	**-1,150**	**-11.2%**
Scope 1		**5,418**	**4,858**	**-560**	**-10.3%**
Company cars		825	948	124	-
Energy (Natural gas, LPG, other fossil fuels) (see 4.1.3.2)		4,474	3,809	-665	-
Refrigerant losses		118	100	-18	-
Scope 2		**4,820**	**4,230**	**-590**	**-12.2%**
Electricity (location based)		4,733	4,154	-	-
Electricity (market based)		0	0	-	-
District heating (location based)		87	76	-	-
Scope 3		**841,981**	**842,374**	**393**	**0.0%**
Purchased goods and services	upstream	603,422	599,396	-4,026	
Upstream Energy from Scopes 1 & 2	upstream	2,283	2,373	91	
Waste generated in operations	upstream	1,218	1,349	132	
Employee commuting	upstream	1,215	1,211	-3	
Capital goods	upstream	1	179	179	
Upstream transportation & distribution	upstream	9,725	11,468	1,743	
Business travel (air, ground, accommodation)	upstream	31	214	183	
Leased assets	upstream	65	203	138	
Leased assets	downstream	0	303	303	
Downstream transportation & distribution	downstream	9,477	10,028	551	
End-of-Life treatment of sold products	downstream	214,547	215,648	1,101	

[2] *PwC limited assurance, see Chapter 6.1*

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4.2.2.5 GHG emissions intensity / Carbon intensity

Emission intensity or carbon intensity is the emission of pollutants relative to the intensity of the production process (Scopes 1+2) or the entire value chain (Scopes 1+2+3).

We report the carbon intensity indicator based on realised sales volume instead of revenue, to eliminate any price-induced volatility in the indicator, irrelevant to the climate change contribution. SBTi considers this approach the most climate robust.

Carbon intensity based on realised sales volume [tCO_2e/Mm^3] [3]	2021	2022	Δ%
Ratio Scopes 1+2/m^3 sales volume	3.18	2.79	-12.3%
Ratio Scopes 1+2+3/m^3 sales volume	264.91	261.26	-1.4%

[3] Realised sales volume all activities (insulation boards, insulated panels, vacuum insulation, thermo-acoustic boards): 3.22 Mm^3 (2021), 3.26 Mm^3 (2022).

4.2.3 Energy consumption, mix and intensity

4.2.3.1 Energy consumption

Energy consumption (MWh)	2021	2022	Δ%
Total energy consumption Scope 1 (energy) + Scope 2	52,228.6	47,144.9	-9.7%

4.2.3.2 Energy mix

We consider non-renewable electricity as all electricity for which no electricity attribute certificates (e.g. guarantees of origin) for renewable electricity are purchased.

Renewable electricity is purchased electricity combined with electricity attribute certificates or self-produced renewable electricity (e.g. with photovoltaic panels). Renewable electricity does not count for any emissions in Scopes 1 and 2 in the market-based method. When relevant, we account for the Scope 3 the emissions related to the production, transport and grid losses of such renewable electricity.

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Energy mix (MWh) Scope 1 (energy) + Scope 2	2021	%	2022	%
Non-renewable electricity	27,935.0	53%	24,196.1	51%
Renewable electricity	710.1	1%	2,903.9	6%
Natural gas	15,634.9	30%	13,136.7	28%
District heating	1,123.0	2%	975.0	2%
LPG	6,685.7	13%	5,933.1	13%
Other fossil fuels	129.9	0%	0.1	0%
Total	**52,218.6**		**47,144.9 -9.7%**	

Energy mix (tCO_2e) Scope 1 (energy) + Scope 2	2021	%	2022	%
Non-renewable electricity	4,732.8	51%	4,153.7	52%
Renewable electricity	0.0	0%	0.0	0%
Natural gas	2,892.5	31%	2,430.3	30%
District heating	87.4	1%	76.5	1%
LPG	1,553.5	17%	1,378.7	17%
Other fossil fuels	28.4	0%	0.1	0%
Total	**9,294.8**		**8,039.3 -13.5%**	

Conversion factors

Type of energy	TARGET UNIT	CONVERSION FACTOR
Natural gas in m^3	kWh	10.27 kWh/m^3
LPG in Sm^3	kWh	27,31 kWh/m^3
LPG in kg	kWh	13.70 kWh/kg
Propane in kg	kWh	14.02 kWh/kg
Propane in liters	kWh	7.08 kWh/liter
Domestic fuel in liters	kWh	11.38 kWh/liter
Biodiesel in liters	kWh	10.13 kWh/liter

Energy intensity

Energy intensity is measured by the quantity of energy consumed per unit output or activity, so that using less energy to produce an equal amount of products reduces the intensity. We report the energy intensity indicator based on realised sales volume instead of revenue, to eliminate any price-induced volatility in the indicator irrelevant to the climate change contribution. SBTi considers this approach the most climate robust.

Energy intensity based on realised sales volume [kWh/m^3]	2021	2022	Δ %
Total energy consumption (Scope 1 (energy) + Scope 2)/m^3 sales volume	16.23	14.46	-10.9

Renewable energy (own operations)

Renewable Energy [MWh]	2021	2022	Δ %
Photovoltaic energy consumption	710.1	2,903.9	308.9%
Photovoltaic energy production on-site	759.6	4,286.7	464.3%

Water consumption

As we are not using water in our manufacturing processes, our consumption of water is mainly for drinking and eating, showering and toilet flushing. We will implement programs to reduce our freshwater intake.

Water consumption [m^3]	2021	2022	Δ M^3	Δ %
Municipal water	15,099	13,427	-1,672	-11.1%
Groundwater (no water stress area)	1,249	2,596	1,347	107.8%

Climate-related risks and opportunities

Sustainability is at the core of our activities. We fight climate change, consciously preserve resources and improve lives with leading-edge insulation solutions for current and future generations.

By offering products that fulfil societal needs and by being proactive in meeting regulatory requirements, we will benefit from better access to financing, improved customer satisfaction and loyalty and better employee relations. As a result, we will enjoy enhanced performance on a variety of key financial metrics and improved risk-adjusted shareholder returns.

Recticel sees sustainability as an opportunity to create a resilient, long-lasting company. Our ESG investment will enable us to attract and retain customers, shareholders, investors and talent.

As climate change alters weather patterns and intensifies extreme weather events, Recticel may face risks related to supply chain disruptions, production interruptions and increased costs associated with sourcing raw materials and energy. For example, rising temperatures and changes in precipitation patterns could affect the availability and quality of raw materials needed for the manufacturing of our products. Extreme weather events like hurricanes, floods and wildfires could impact our production facilities directly but also disrupt supply chains and cause production delays, leading to increased costs and reduced profitability.

In addition, regulations aimed at reducing greenhouse gas emissions and mitigating the impacts of climate change may increase compliance costs for Recticel. We are also required to invest in new technologies and equipment to reduce emissions.

To mitigate the risks associated with climate change, we continuously assess our supply chains and production processes for vulnerabilities related to weather-related disruptions, consider diversifying our supply chains to reduce risk and invest in renewable energy sources to reduce greenhouse gas emissions and associated costs.

Recticel assesses risks, including climate-related risks, along five dimensions – financial, reputational, legal/regulatory, capacity to meet stakeholder expectations and ability to meet strategic goals – and evaluates them with regard to their potential impact and likelihood.

We define our short-, medium- and long-term time horizons for climate-related risks as follows:

Risk horizon	PERIOD	ASSESSMENT
Short-term	From 0 to 5 years	Impact on our sustainability strategy
Medium-term	From 5 to 10 years	Impact on our commitment to SBTi on CO_2e emissions: Scopes 1, 2 (net zero) and Scope 3 (25% reduction) by 2030
Long-term	From 10 to 20 years	Impact on our commitment to SBTi on CO_2e emissions: net zero on Scopes 1, 2, 3 by 2050

Because of the change in the Recticel structure and the very dynamic context in general, we will perform a new Enterprise Risk Management exercise in 2023 to identify the risks that Recticel is facing and elaborate action plans allowing proper mitigation, when relevant.
A specific ESG risk identification, assessment and mitigation process will be performed to:

- Develop a risk taxonomy specific to ESG & sustainability considering both transition and physical risks Recticel is potentially facing;
- Identify the key risks relevant to the upcoming non-financial and ESG reporting requirements;
- Identify potential causes and consequences for each listed ESG risk;
- Define which ESG risks should be considered in the risk universe;
- Evaluate ESG risks on impact, likelihood and perceived level of control;
- Define or update and assess ESG risk mitigating action plans.

Avoided emissions

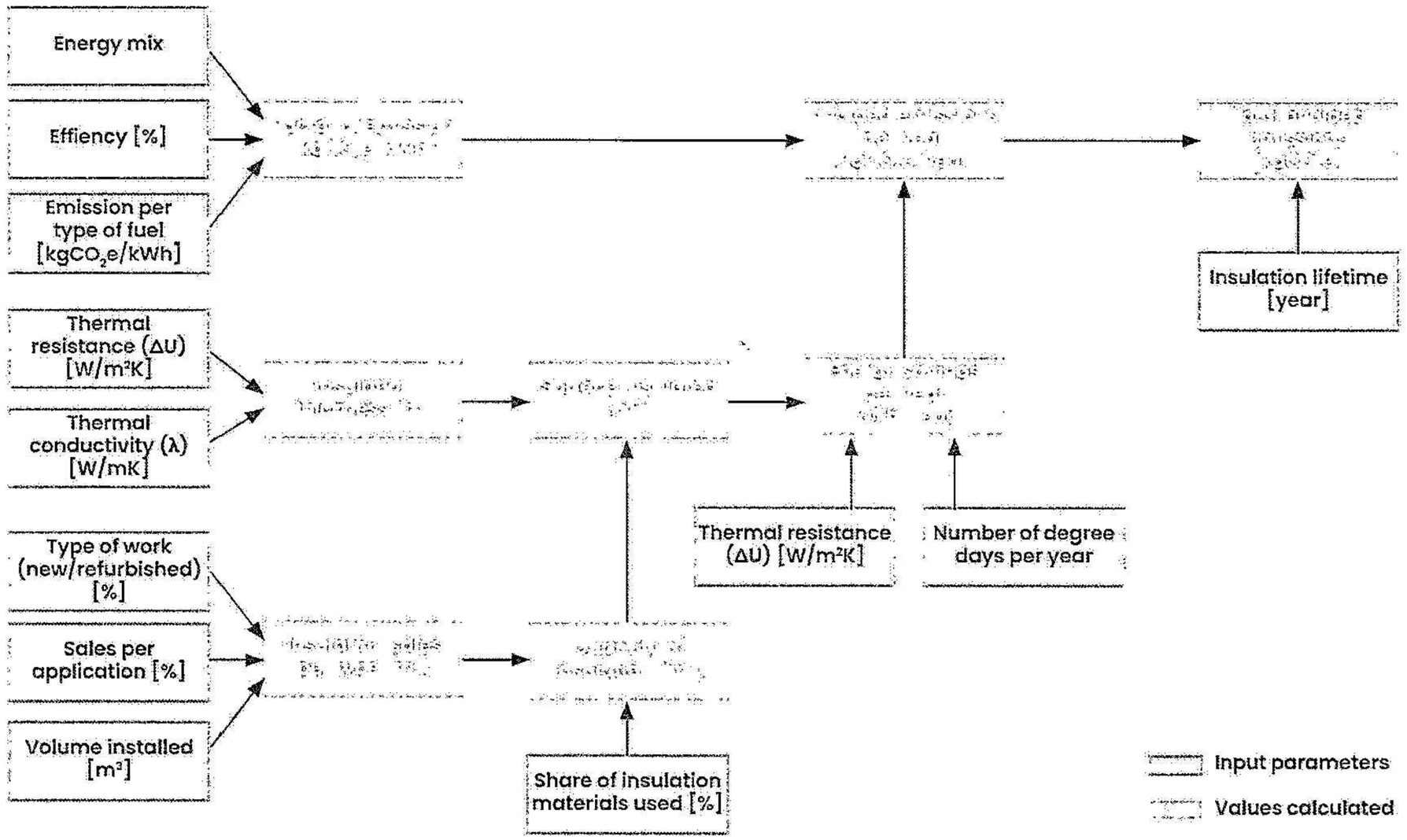
Avoided emissions are emission reductions that occur outside of a product's life cycle or value chain, but as a result of the use of that product. However, there is no international standard or consistent terminology to describe avoided emissions.

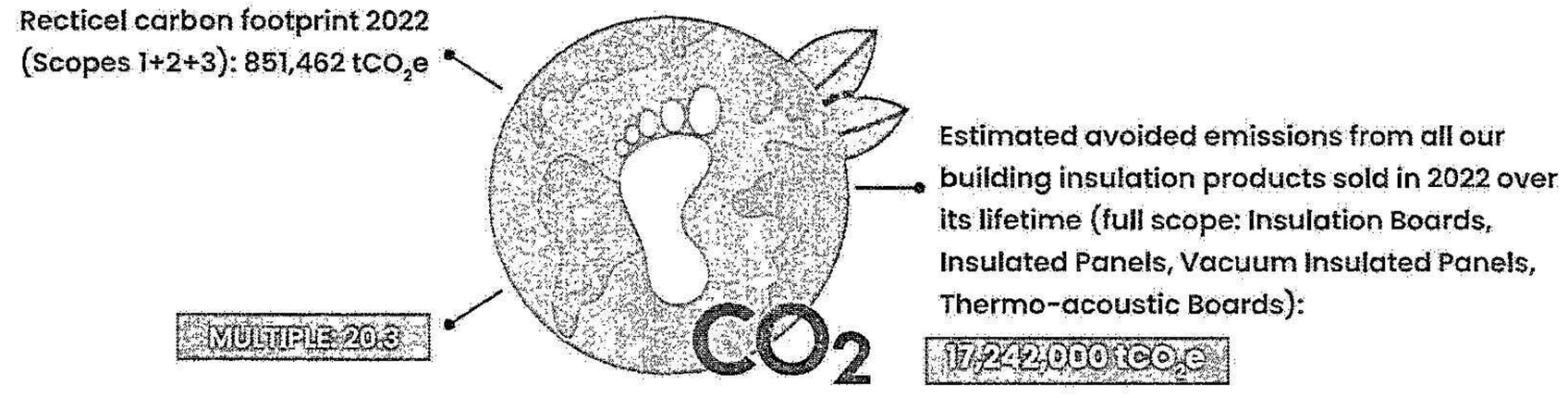
To estimate and report the comparative emission impacts of products, the World Resources Institute (WRI) issued in 2019 a comprehensive working paper and neutral framework which can be found on the GHG Protocol website.[4]

Recticel has followed the recommendation and calculated its avoided emissions through the Attributional Life Cycle Assessment (LCA) approach. This is a widely used method for assessing the environmental impacts of a product or service throughout its entire life cycle, from extraction of raw materials to end-of life disposal.

To calculate the avoided emissions for all our products sold in 2022, we used the framework below and requested our consultant, *South Pole*, to validate the approach and perform the calculations.

To allow a correct comparison with other companies reporting avoided emissions, it is essential to note that the **full scope of our insulation activities** has been considered as well as the **totality of GHG emissions** (Scopes 1+2+3) as recommended by the WRI, and **not** only the emissions related to our own operations.

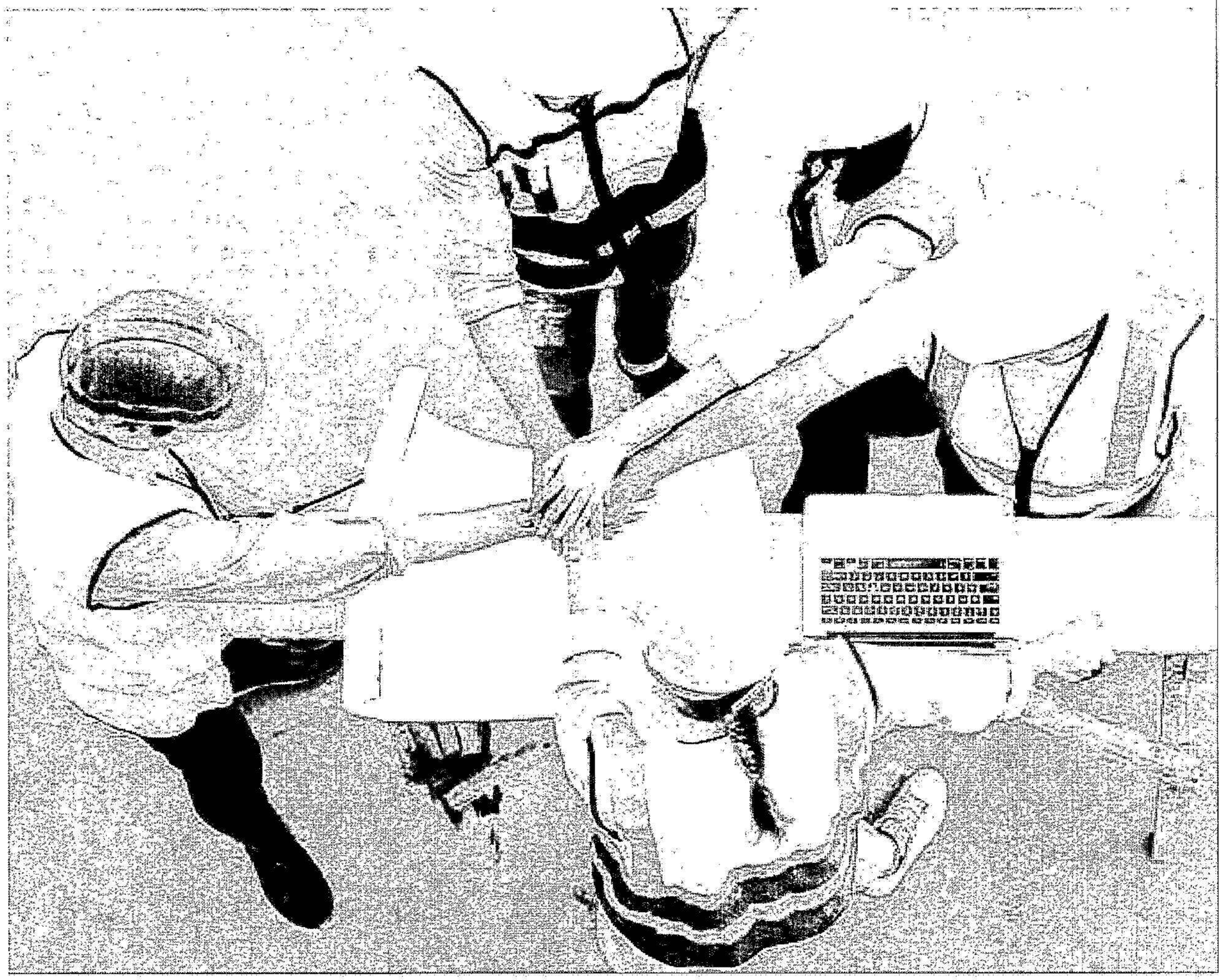




[4] *https://ghgprotocol.org/sites/default/files/standards/18_WP_Comparative-Emissions_final.pdf*

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SOCIAL STATEMENT



The European Sustainability Reporting Standards (ESRS) will require organisations to disclose their social impact in a comprehensive and transparent manner in 2025, for the 2024 fiscal year. This should provide stakeholders with a deeper understanding of the organisation's social impact and efforts to promote sustainability. The social section of the ESRS should cover a range of topics, including:

ESRS S1 – Own workforce
ESRS S2 – Workers in the value chain
ESRS S3 – Affected communities
ESRS S4 – Consumers and end-users

"Recticel believes in respect, integrity, honesty and fairness and values all its employees, and business partners. Ultimately, our business is built on people and the way they act. All of our employees, workers or managers, and their way to act, will determine the trust in and the reputation of Recticel. It will shape how customers regard our products, how employees regard our work atmosphere and how shareholders regard their investment."

In this 2022 annual report, we disclose information on ESRS S1 (Own Workforce). As the ESRS standards are being progressively adopted during FY2023, we will provide more detail on this and the other social topics in our next annual reports.

On the topic of Own Workforce (ESRS S1), the reporting requirements are the following:

ESRS S1	TOPIC	DESCRIBE OR DISCLOSE THE UNDERTAKING'S	INCLUDED IN AR2022
S1-1	Policies related to own workforce	Policies that address the management of its material impacts, risks and opportunities related to its own workers. In addition, if such policies cover specific groups or all of its own workers.	yes
S1-2	Process for engaging with workers and workers' representatives about impacts	Steps it takes to gain insight into the perspectives of own workers that may be particularly vulnerable to impacts and/or are marginalised (for example, women workers, migrant workers, workers with disabilities).	yes
S1-3	Process to remediate negative impacts and channels for own workers to raise concerns	Processes in place to provide for or cooperate in the remediation of negative impacts on own workers that the undertaking has identified it has caused or contributed to, as well as channels available to own workers to raise concerns and have them addressed.	No
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce and effectiveness of those actions	Processes, initiatives or engagements through which the undertaking seeks to improve workers' lives; addressing the material risks and pursuing the material opportunities related to own workers.	No
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Outcome-oriented targets to drive and measure its progress in addressing its material negative impacts and/or advancing positive impacts on its own workforce, and/or in managing material risks and opportunities related to its own workforce.	No
S1-6	Characteristics of the undertaking's employees	Approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other disclosure requirements in this Standard.	Yes
S1-7	Characteristics of non-employees in the undertaking's own workforce	Approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids the understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other disclosure requirements in this Standard. It also allows an understanding of how much the undertaking relies on workers who are not employees.	No
S1-8	Collective bargaining coverage and social dialogue	Disclosure of whether the undertaking has one or more collective bargaining agreements and, if so, the overall percentage covered by such agreement(s) for each country in which the undertaking has significant employment, defined as at least 50 employees by head count.	Yes
S1-9	Diversity indicators	Gender distribution at top management and the age distribution amongst its employees.	Yes
S1-10	Adequate wages	Whether or not all workers in its own workforce are paid an adequate wage, in line with applicable benchmarks; and if not, which type of workers do not receive an adequate wage and what percentage of its own workforce is paid below the adequate wage.	Yes

ESRS S1	TOPIC	DESCRIBE OR DISCLOSE THE UNDERTAKING'S	INCLUDED IN AR2022
S1-11	Social protection	Whether its own workers are covered by social protection against loss of income due to major life events, and, if not, the countries where this is not the case and the percentages in those countries that are not protected.	Yes
S1-12	Persons with disabilities	The extent to which persons with disabilities are included among the undertaking's employees.	No
S1-13	Training and skill development indicators	Understanding of the training and skills development-related activities that have been offered to employees, within the context of continuous professional growth, to upgrade employees' skills and facilitate continued employability.	Yes
S1-14	Health and safety indicators	Extent to which its own workforce is covered by its health and safety management system and the number of incidents associated with work-related injuries, ill health and fatalities of its own workers. In addition, it shall disclose the number of fatalities as a result of work-related injuries and work-related ill health of other workers working on the undertaking's sites.	Yes
S1-15	Work-life balance indicators	Extent to which employees are entitled to and make use of family-related leave.	Yes
S1-16	Compensation indicators (pay gap and total compensation)	The percentage gap in pay between women and men and the ratio between the compensation of its highest paid individual and the median compensation for its employees.	Yes
S1-17	Incidents, complaints and severe human rights impacts and incidents	The number of work-related incidents and/or complaints and severe human rights impacts and incidents within its own workforce and any related material fines or sanctions for the reporting period.	Yes

Recticel is transforming to a pure play insulation company. As part of this process, we divested the Bedding business line on 31 March 2022, acquired the Trimo Insulated Panels activity on 29 April 2022, and are in the process of closing the divestment of the Engineered Foams business line.

Recticel is in the process of integrating Trimo Insulated Panels and updating its procedures. As a result, different scopes are applicable for the information provided in this chapter.

S1 - Policies related to our own workforce

People are the cornerstone of our sustainability strategy. This means respecting the highest standards and principles on human rights, labour, the environment and anti-corruption. We maintain strong partnerships across our industry, attach great importance to dialogue with our employees and their representatives and support social projects relating to our strategy. We constantly seek to minimise the impact of our activities and products on health, safety and the environment. As an employer, we strive to create a safe, inspiring and rewarding place to work. We build our community on inclusiveness and respect, believing that diversity improves the quality of decision making and overall performance.

Core values

Our core values define how we interact, do business and work together at Recticel in order to grow as a company and as individuals. The ultimate goal of our values is to align our organisation's actions and attitudes towards all stakeholders, internal and external, in a way that supports the execution of our corporate strategy and the achievement of our corporate objectives.



Ethics Policy

Our Ethics Policy contains the fundamental standards adhered to at all times by every business activity, employee and manager. Recticel's policy regarding employment matters requires that all decisions related thereto are based on objectively relevant factors such as qualifications, merit, performance, dedication and compliance with the Ethics Policy. Discrimination based on personal factors such as age, race, colour, religion, mother tongue, gender, sexual orientation, mental or physical disability, political opinion, origin or nationality, is forbidden.

The rights of Recticel's workforce are guaranteed through the Ethics Policy. Recticel complies with the laws and the collective labour agreements in all countries in which it operates. When the applicable law, the collective labour agreements and the Recticel Ethics Policy specify diverging standards, the most stringent regulation will be applied. Recticel supports the United Nations Universal Declaration of Human Rights and the conventions and recommendations of its International Labour Organisation.

Recticel is committed to conducting its business in a manner that protects the health and safety of its customers, workers (employees and contractors) and the general public. Managers and employees are regularly informed and educated on health and safety regulations. Recticel also devotes adequate resources to identify, control and remedy health and safety risks associated with its operations, in accordance with applicable laws and regulations.

Whistleblowing Policy

Recticel has established a formal Whistleblowing Policy for employees who wish to report dishonest behaviour in their working area. It sets out a procedure for dealing with managers, employees, contractors or anyone who wilfully commits a policy/procedure breach or criminal offence detrimental to Recticel or the public interest. Recticel employees have a basic moral obligation to report any reasonable suspicion that another employee or manager might be guilty of serious misconduct, fraud or gross malpractice.

Concerns about serious misconduct, fraud or gross malpractice can be raised through all possible channels of communication (by letter, e-mail, phone, personal discussion, etc.). A dedicated mailbox is available 24/7, with strict access and confidentiality rights.

Recticel guarantees that whistleblowers who report serious misconduct, fraud or gross malpractice concerns in good faith will suffer no adverse or negative consequences whatsoever of disclosing those concerns in accordance with this procedure.

S2 - Process for engaging with workers and workers' representative about impacts

Recticel is committed to providing timely and adequate information to its managers and employees and fosters open and constructive dialogue on the company's strategy and business development, as well as any other matter that may be of concern to its managers and employees.

Recticel's Country HR Managers, together with local management, are responsible for maintaining good employee relations. They encourage open communication, communicate on the company's goals and how they relate to everyone's job, and share and review employees' expectations.

Employees who wish to raise a concern are encouraged to address it first with their direct manager or HR representative. If no solution can be found that satisfies all parties, the concern can be escalated to the manager's manager ('grandparent principle') and/or to the Country or Corporate HR organisation. In countries where a works council is in place, an employee can also choose to consult with their workers representative.

Depending on local legislation, some countries have a confidential advisor in place to support and advise any employee experiencing a psychosocial problem at work (e.g. stress, bullying, trauma, alcohol or drug-related issues). The advisor may also mediate if requested to do so by the employee.

During the annual Employee Performance Management Discussion (EPMD), white-collar employees are invited to evaluate how they are doing in their daily work (content, workload, relationships, etc.). This section is not mandatory. If employees report that they are dissatisfied with their situation at work, they can suggest possible solutions to their direct manager and can also request a meeting with their local HR representative.

Throughout the year, Recticel maintains an active dialogue with its social partners, at both country and European level. In 2022, the agenda of the usual annual European Works Council (EWC) included, amongst other items, an update on our sustainability efforts such as SBTi as well as our transformation to be a pure play insulation company. In addition, two restricted EWC committees took place.

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S6 - Characteristics of the undertaking's employees

Recticel is a Belgian insulation group with a strong presence in Western and Eastern Europe. At the end of 2022, Recticel (excluding discontinued activities, JV included pro rata) employed 1,234 people with production sites in Finland, United Kingdom, France, Slovenia, Serbia and Belgium.[5]

The data are reported in the head count at the end of the reporting period (31 December 2022).

- Table 1. Employee headcount by gender

Gender	NUMBER OF EMPLOYEES (HEADCOUNT)
Male	886
Female	348
Total employees	1,234

Scope: Recticel all insulation activities, including Trimo Insulated Panels and Turvac Vacuum Insulation (joint venture pro rata) – status 31 December 2022

- Table 2. Employee headcount per country

Country	NUMBER OF EMPLOYEES
Slovenia	398
Belgium	329
United Kingdom	159
France	117
Serbia	74
Poland	72
Finland	52
The Netherlands	15
Germany	4
Czech Republic	4
Sweden	4
Slovakia	3
Hungary	2
Macedonia	1

Scope: Recticel all insulation activities, including Trimo Insulated Panels and Turvac Vacuum Insulation (joint venture pro rata) – status 31 December 2022

- Table 3. Employees by contract type, broken down by gender (headcount)

	FEMALE	MALE	TOTAL
Number of employees	348	886	1,234
Number of permanent employees	328	871	1,199
Number of temporary employees	20	15	35
Number of non-guaranteed hours employees			Not applicable
Number of full-time employees	309	835	1,144
Number of part-time employees	39	51	90

Scope: Recticel all insulation activities, including Trimo Insulated Panels and Turvac Vacuum Insulation (joint venture pro rata) – status 31 December 2022

[5] *See Section 1.1. Who we are*

S8 - Collective bargaining coverage and social dialogue

Recticel recognises the right of any employee to join or to refrain from joining a trade union. Recticel encourages communication with its employees and their representatives and complies with the laws and collective labour agreements of every country in which it operates. When the applicable law, the collective labour agreements and the Recticel Ethics Policy specify diverging standards, the most stringent regulation will be applied. Recticel supports the United Nations Universal Declaration of Human Rights and the conventions and recommendations of its International Labour Organisation. Recticel does not track freedom of association metrics.

For more information about Recticel's social dialogue, see Chapter 4.2.2. S2.

S9 - Diversity indicators

Recticel strives to create a community where everyone is included and respected, bringing people together for a better world. Recticel is proud to be present with production facilities and offices in fourteen countries in Western and Eastern Europe, with employees of different nationalities.

We believe that a diverse team improves the quality of decision making, and ultimately improves overall performance. Recticel is committed to offering equal employment and learning opportunities to all candidates, irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation or hours of work.

At present, two out of the seven directors are women. As a result, the obligation of Article 7:86 of the Companies and Associations Code is complied with. The selection process for members of the Board of Directors is described in the Recticel Corporate Governance Charter. The aim is to come to a composition that is diverse in all its aspects, including gender, background, professional experience, competence and education.[6]

Currently one of the six Management Committee members is a woman.

In 2021 we introduced a KPI to improve gender diversity. Our target is to reach 25% women in leading positions (Recticel Hay Grade ≥ 18) across the Recticel organisation by 2030.

Table 1. Gender distribution in number and percentage at top management level amongst Recticel employees

Number	6 women
Percentage	14%[7]
Recticel definition	Senior management positions
Scope: Recticel Insulation Boards + HQ + offices	

[6] *See biographies in Chapter 3.2.8.1*
[7] *PwC limited assurance, see Chapter 6.1*

S10 - Adequate wages

Recticel complies with the laws and the collective labour agreements in all countries in which it operates. When the applicable law, the collective labour agreements and the Recticel Ethics Policy specify diverging standards, the most stringent regulation will be applied. Recticel supports the United Nations Universal Declaration of Human Rights and the conventions and recommendations of its International Labour Organisation.

Recticel remuneration practices aim to attract, retain and motivate those individuals who contribute to the successful implementation of our business strategy. It is expected that those practices encourage enhanced performance and avoid underperformance being rewarded. Remuneration is managed globally according to established Recticel standards formalised into procedures such as the Salary Review procedure and the Bonus procedures, in accordance with governance requirements and developments in governance practice. Remuneration is managed holistically so that its diverse components (base pay, incentives, perquisites and benefits) are all aligned and contribute to rewarding the desired behaviours. Recticel regularly benchmarks its practices against the local and international market as a point of reference for determining remuneration levels.

S11 - Social protection

Recticel complies with the laws and the collective labour agreements in all countries in which it operates. When the applicable law, the collective labour agreements and the Recticel Ethics Policy specify diverging standards, the most stringent regulation will be applied.

Recticel recognises that extra-legal benefits play an important role in maintaining a healthy workforce, providing employees with a safety net and providing income at retirement.

Remuneration is managed holistically so that its diverse components (base pay, incentives, perquisites and benefits) are all aligned and contribute to rewarding the desired behaviours. Recticel regularly benchmarks its practices against the local and international market as a point of reference for determining remuneration levels.

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S13 - Training and skill development indicators

Recticel wants to provide a working environment where continuous learning takes place in order to help employees gain more enjoyment from their work, increase their motivation and enhance employee retention. All Recticel employees, irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation or hours of work, have access to opportunities for learning and development to enable them to perform to the best of their ability.

We assess and train for success and have installed structured mechanisms to ensure the quality of the process. Regular performance management discussions are crucial in this respect. During these conversations, white-collar employees have the opportunity to talk about their career development ambitions, working conditions and work-life balance. The output is used not just to optimise training and development, but also for reward, retention, succession and career planning processes.

To boost employee development, we offer in-depth orientation programmes for newcomers, and possibilities to engage in global projects as a project leader or team member. Additional coaching by Recticel colleagues or external partners is offered to support professional development.

We believe in personal growth and encourage our employees to take an active role in finding their own path within Recticel. Learning can take a number of different forms, such as external and internal training courses, on-the-job training, seminars, networking, literature, e-learning, peer-to-peer learning and many more.

We are consistently increasing our e-learning offering with the aim of reaching all white-collar employees. In 2021 access was given to a broad catalogue of e-learning materials that allow them to train and develop themselves in a self-paced way on topics identified during the Performance Management processes.

TECUN, Recticel's technical university, offers a new e-learning platform to share and improve employees' technical product and application knowledge.

TECUN
RECTICEL TECHNICAL UNIVERSITY

In addition, Recticel has rolled out a compulsory e-learning programme to create, increase and maintain awareness among Recticel employees regarding legislation as well as internal codes and policies to limit the company's risks of non-compliance or cyberattacks.

- Table 1. % employee participation in e-learning including Legal, Cybersecurity, Safety, as well as expanding new offerings based on specific needs detected during the annual Employee Performance Management Discussion

E-learning modules	TARGET	RESULT[8]
Governance Programme:		
Data Protection	95% completion	96%
Ethics Policy		96%
Basics of Contract Law		96%
Cybersecurity Programme:	95% completion	
DIGIWIZZ		93%
Scope: White-collar employees, Recticel Insulation Boards + IHQ + offices.		

For the governance programme, the status 'completed' is only achieved if the employee obtains a test result of minimum 80%. For the cybersecurity programme, a minimum score of 70% on the final test is required.

- Table 2. % employees who participated in regular performance and career development reviews; broken down by employee category and gender

Percentage of white-collar employees who participated in annual employee performance management discussions	96%
Male	60%
Female	40%
Scope: Recticel Insulation Boards + IHQ + offices	

[8] *PwC limited assurance, see Chapter 6.1*

S14 - Health and safety indicators

Recticel is committed to conducting its business in a manner that protects the health and safety its customers, its workers (whether employees or contractors) and the general public. It is embedded in our Core Value of acting with respect and integrity and in our Ethics Policy that we do not compromise on safety.

The Recticel Corporate HS&E Policy defines strategic objectives to minimise all HS&E risks and environmental impacts inherent to the company's activities and products. This is above and beyond our basic obligation to comply with all applicable health, safety and environmental regulations.

We perform root cause analyses and implement corrective and preventive actions on critical operations. Recticel foaming sites adhere to strict regulations (such as SEVESO and COMAH), and several plants have environmental management systems (ISO 14001-certified). Recticel is an active member of national and European professional associations such as *PU Europe* and *essencia*.

The Recticel HS&E Manual provides guidance for the implementation of the HS&E Policy. QHS&E managers in our business activities drive and support change in our safety culture by developing operational standards, improving working environments, raising awareness and training personnel.

By sharing knowledge and unifying HS&E practices, such as standardised root cause analysis, and HS&E rules company-wide, we seek to make our processes more efficient. We have implemented an integrated HS&E tool to support alignment, improve follow-up and reporting, underpin best practices and facilitate the monitoring of regulatory changes. The results are shared on a monthly basis with the Management Committee.

Managers and employees are regularly informed and educated on health and safety regulations. Recticel also devotes adequate resources to identify, control and remedy health and safety risks associated with its operations, in accordance with applicable laws and regulations.

We continue to raise awareness on safety. Through our global Simply Safe initiative, we introduced a clear framework of Golden Safety Principles and Golden Safety Rules. Our ***Stop. Think. Act!*** mantra reminds everyone that we should all try to change our habits to guarantee a safe working environment. Whenever we notice a hazard, or whenever we start a new task, we should stop, think and then act.

Since 2018, we have been holding an annual Recticel Safety Day. It relays the important message that safety is everyone's responsibility. The goal is simple – an accident-free workplace – and we pursue it relentlessly by applying consistent rules and principles across all our sites.

The theme of the 2021 safety campaign was ***It's MY choice***. It emphasised the importance of personal responsibility in our actions, behaviour and mindset.

In 2022, we choose to make Sustainability, Safety and Satisfaction part of our DNA. These are the goals that will create the workplace we want: a workplace that is safe and accident-free; a workplace where everyone is valued and encouraged; a workplace that makes us proud of our contribution to fighting climate change with our race to net-zero emissions.

- Table 1. % own workers who are covered by Recticel's health and safety management system based on legal requirements and/or recognised standards or guidelines

Percentage	100%
Scope: Recticel Insulation Boards + IHQ + offices	

An external legal HS&E audit is conducted every three years.

- Table 2. Number of fatalities as a result of work-related injuries and work-related ill health

Number	0
Scope: Recticel Insulation Boards + IHQ + offices	

- Table 3. Number and rate of recordable work-related accidents

Number	13
Rate	12.53
Scope: Recticel Insulation Boards + IHQ + offices	

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- Table 4. Number of cases of recordable work-related ill health

Number	0
Scope: Recticel Insulation Boards + IHQ + offices	

- Table 5. Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health

Number	120
Scope: Recticel Insulation Boards + IHQ + offices	

Since our first materiality assessment in 2015, safety has been selected as a KPI with the ambition to lower the impacts of our activities and products.

- Table 6. Recticel Safety KPIs

KPI 2022	2020	2021	2022[9]	TARGET 2030	DEFINITION
Frequency 1 (Lost Time Accidents)	0.0	1.95	4.82	≤ 2	Definition: Number of Lost Time Accidents x 1,000,000 / number of hours performed
Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases)	13.70	9.75	12.53	≤ 5	Definition: Number of [Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases] x 1 million / number of hours performed
Scope: Recticel Insulation Boards + IHQ + offices					

S15 – Work-life balance indicators

Recticel is an equal opportunity employer. We offer men and women the same opportunities to develop their talents, build a career and balance work and life by offering the opportunity to work full-time or part-time at every stage of their career (see also Chapter 4.2.3 S6 - Characteristics of the undertaking's employees).

Triggered by the first COVID-19 lockdown in 2020, the Recticel Management Committee launched a workgroup to reflect upon New Ways of Working at Recticel. As an outcome, a new set of principles was agreed, providing guidance to Recticel employees and line managers in all countries and locations when working from home. The aim is to provide employees with more flexibility in organising their work to the benefit of the employee and the employer, considering every aspect of 'people, planet and profit'. The guiding idea is that all employees should have the same opportunity to work part-time from home, if their job allows it, and within the limits of the local Country legislation. These principles have been converted into Country-specific 'Homework Policies'. This important step is made possible by the introduction of new digital communication tools, enabling a more collaborative, agile and remote way of working.

As of 2024, we intend to regularly measure employee engagement and satisfaction. This will be a more agile successor to the comprehensive annual engagement survey we conducted until 2019.

S16 – Compensation indicators (pay gap and total compensation)

Recticel's policy regarding employment matters stipulates that all decisions related thereto must be based on objectively relevant factors such as qualifications, merit, performance, dedication, and compliance to the rules set out in the Ethics Policy. Discrimination based on personal factors such as age, race, colour, religion, mother tongue, gender, sexual orientation, mental or physical disability, political opinion, origin or nationality, is forbidden.

Recticel complies with current regulation by disclosing its pay ratio comparing the highest remuneration of the Management Committee (that is the remuneration of the CEO) with the lowest Remuneration at Recticel NV. On 31st December 2022, the highest remuneration was 35 times the lowest remuneration; this is a pay ratio of 35:1.[10]

[9] PwC limited assurance, see Chapter 6.1

[10] See Chapter 4.3.8.8 Annual Change in Remuneration and Pay Ratio

S17 – Incidents, complaints and severe human rights impacts and incidents

Recticel expects its managers and employees to adhere to the highest standards of integrity and ethics, to respect the individual and the environment and to respect and comply at all times with all applicable national and international laws and regulations.

Discrimination based on personal factors such as age, race, colour, religion, mother tongue, gender, sexual orientation, mental or physical disability, political opinion, origin or nationality, is forbidden.

Harassment will not be tolerated and Recticel expects all its managers and employees to behave in an appropriate manner. No conduct or behaviour, no verbal or written communication, internal or external, vis à vis fellow managers, employees, contractors, customers, suppliers, business partners' personnel or representatives, which could be deemed humiliating, intimidating, hostile, or inappropriate is accepted by Recticel. Any such conduct or communication will lead, as the case may be, to disciplinary sanctions.

No manager or employee has the right or the authority to request the execution of any action that would violate compliance with applicable national or international laws and regulations. This basic principle is neither subject to waiver nor exceptions for competitive or commercial reasons, industry customs or other exigencies or contingencies.

Table 1. Number of work-related incidents and/or complaints and severe human rights impacts and incidents within the own workforce and any related material fines or sanctions for the reporting period.

Total number of incidents of discrimination, including harassment	0
Number of complaints filed through channels for own workers to raise concerns (excluding discrimination, harassment)	0
Total amount of material fines, penalties, and compensation for damages as a result of violations regarding social and human rights factors	0
Reconciliation with the most relevant amount presented in the financial statement	0
Scope: Recticel Insulation Boards + IHQ + offices	

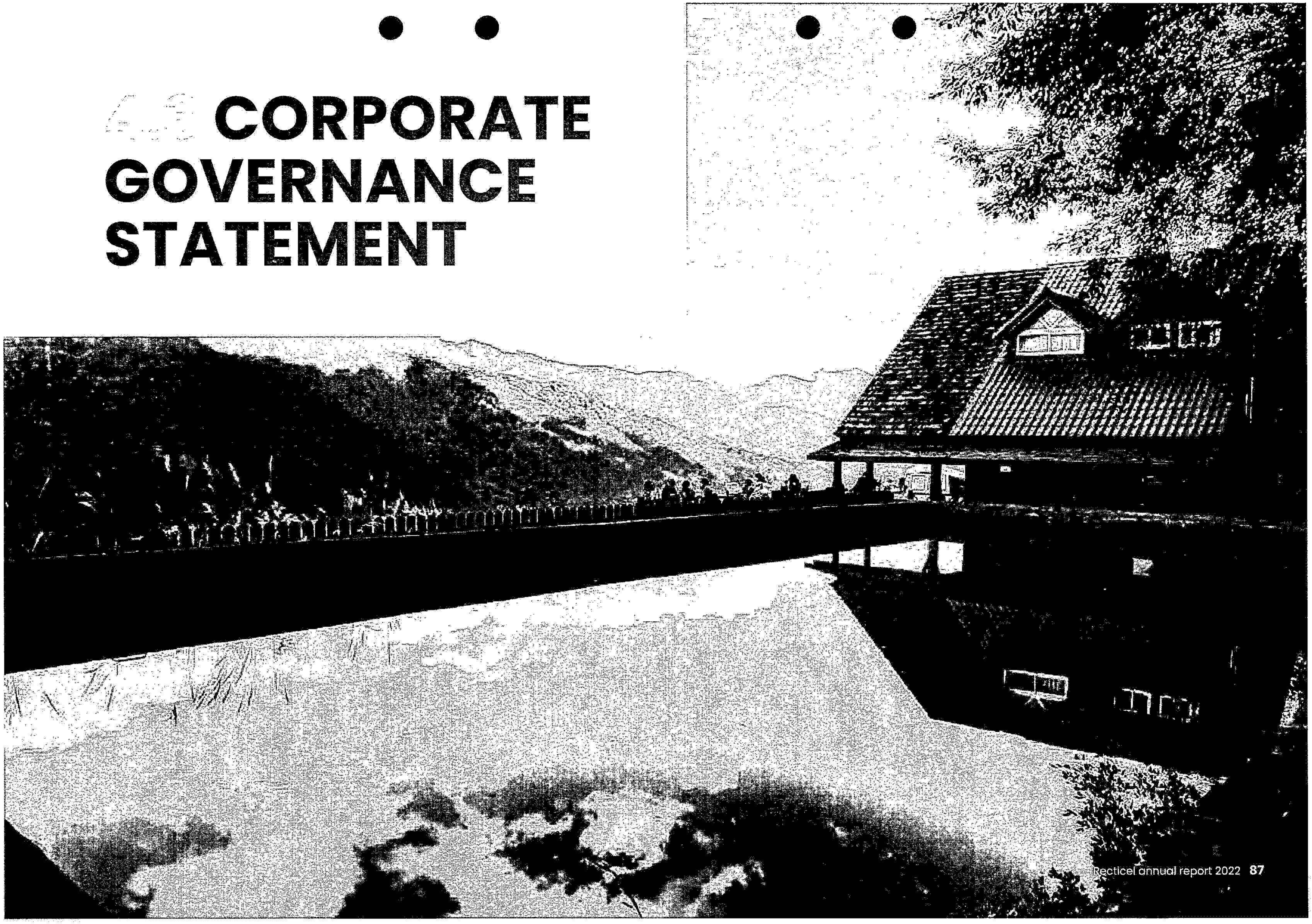
Table 2. Identified cases of severe human rights impacts and incidents (e.g. forced labour, human trafficking or child labour)

Total number of severe human rights issues and incidents connected to the workforce	0
Number of severe human rights issues and incidents connected to the workforce violating the UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	0
Total amount of fines, penalties and compensation for damages for the issues and incidents describe above	0
Reconciliation with the most relevant amount presented in the financial statement	0
Scope: Recticel Insulation Boards + IHQ + offices	

Table 3. Number of severe human rights cases where the undertaking played a role securing remedy for those affected and remediation status

Incidents reviewed	0
Remediation plans being implemented	0
Remediation plans that have been implemented, with results reviewed through routine internal management review processes	0
Incidents no longer subject to action	0
Scope: Recticel Insulation Boards + IHQ + offices	

4.3 CORPORATE GOVERNANCE STATEMENT



2024020201937

4.1 Applicable rules and reference code

Recticel publishes its Corporate Governance Charter on its website (www.recticel.com) in accordance with the requirements of the Belgian Corporate Governance Code 2020. The latest version is dated 27 April 2020. Any interested party can download the Charter or request a copy from the company's registered office. The Charter contains a detailed description of the governance structure and the company's governance policy.

As of this year, Recticel uses the new Belgian Governance Code of 2020 as reference code, which can be found on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be).

Recticel complies with all recommendations contained in the reference code, except for the cases where it is explicitly stated in this statement below.

This chapter contains more factual information regarding corporate governance in general and, the application of the Belgian Corporate Governance Code 2020 (hereinafter also "the Code") during the last financial year in particular.

Recticel confirms its explicit choice for the monistic governance structure under the Belgian Companies and Associations Code. The Board of Directors is therefore authorized to undertake all necessary or useful actions to achieve the company's objective, except those that only the general meeting is authorized to perform by law. The authority granted to the Board of Directors was not further limited in the articles of association.

The terms of reference of the Board of Directors are described in more detail in Recticel's Corporate Governance Charter.

4.2 Internal control and risk management

Every entity exists to create value for the stakeholders and this forms the basis of risk management for every company. The challenge that faces the Board of Directors and executive management is in determining how much uncertainty they wish to accept in their strive for creating value. The value is maximized if the administration is successful in creating an optimal balance between growth and turnover on the one hand and the connected risks on the other.

Identifying and quantifying the risks and setting up and maintaining an efficient control mechanism is the responsibility of the Board of Directors and the Executive Management.

The framework for internal control and risk management applied Recticel is based on the COSO (Committee of Sponsoring Organisations of the Treadway Commission) model and is in line with the requirements imposed by the Code, taking into account Recticel's size and specific needs.

Since mid-2010 the Board of Directors and the Executive Management have reviewed the framework for internal control and risk management and an amended Compliance programme is implemented.
The basis is formed by the revised Code of Ethics, applicable on all Recticel directors, corporate officers and employees, and published on Recticel's website: (https://www.recticel.com/sites/default/files/who_we_are/discover_the_recticel_group/business_ethics_integrity/01_Ethics_policy_English.pdf).

Important matters like ethics, safety, health and environment, quality, conflicts of interest, anti-trust, fraud and others are being dealt with.

Corporate policies have been elaborated to cover these principles that are further explained in the Business Control Guide, which provides more concrete and detailed guidelines, for instance guidelines on the level of Tax management, Treasury management, Accounting policies, Investments, Purchases, Mergers and Takeovers, and such. The internal financial reporting and control occurs based on the Company's Accounting Manual, Accounting Methodology and Cost Accounting Methodology.

This Business Control Guide includes the general delegation of deciding powers and responsibilities for specific areas of competence.

The Board of Directors and Executive Management regularly reviews the most important risks that Recticel is exposed to and submits a list of priorities. A general description of the risks can be found in the financial part of this annual report.

One of the objectives of the internal control and risk management system is also to ensure a timely, complete and accurate communication. To this end the Business Control Guide and all other guidelines contain the necessary regulations on roles and responsibilities. Also, the necessary attention is given to ensuring the security and confidentiality of the data exchange, if and when necessary. In the event of violation of internal or external laws and

regulations, Recticel has also implemented a Policy for the Reporting of Misconduct and the Protection of Whistle-blowers to enable anyone to report on behaviour that may represent a violation of the applicable Code of Conduct, the Corporate Policies or any other laws and regulations.

Finally, the Audit committee, amongst others, has the task of informing and advising the Board of Directors regarding the annual follow up of the systems of internal control and risk management.

The Internal Audit Department works based on an Internal Audit Charter and has the primary function of delivering reports with opinions and other information indicating to which extent the internal audit meets predetermined criteria. The Internal Audit aims at providing the reasonable assurance that the strategic, operational, compliance and reporting objectives of Recticel can be realized in the most efficient way. To this end they seek to ensure the following objectives:

- the reliability and integrity of the information;
- compliance with policies, plans, procedures, laws and agreements;
- safeguarding of assets;
- economical and efficient use of resources;
- achieving the goals set by operations and programs.

Risk factors and risk monitoring

Assisted in its work by the Audit Committee, the Board of Directors determines the Company's risk management policy, taking into account the significance of the general corporate risks that it is prepared to accept.

Business and management imply dealing with external and internal uncertainties. These uncertainties imply that decisions intrinsically involving potential risks are constantly being taken at all levels. For this reason, and also because a company must be able to achieve its objectives, it is important to outline, assess, quantify and grade corporate risks as precisely as possible. An appropriate, adapted risk management system that can also draw on efficient monitoring mechanisms and best practices must avoid any adverse effects of potential risks on the company and its value or at least control or minimise those effects.

RISK FACTORS

The items dealt with below are the most relevant risk factors for Recticel, as defined during the assessment process described above.

1. Recticel's investment programs are subject to the risk of delays, cost overruns and other complications, and may not achieve the expected returns.

Recticel's investments programs in the field of repair, maintenance and improvements of its existing equipment and facilities are subject to the risk of incorrect or inadequate evaluation. As a result, these investment programs may suffer from delays or other complications, and may not achieve the return projected at the beginning of such programs. Furthermore, Recticel's actual expenditures may ultimately reveal to be higher than budgeted for various reasons beyond its control. Such cost increases may be material and may have a material adverse effect on its business, financial condition, operating results and cash flows.

2. Price volatility of critical raw materials

Recticel is sensitive to fluctuations in the prices of steel and mineral wool for the production of insulated panels and chemical raw materials for the production of PIR insulation panels. Excess volatility of raw materials prices or their scarcity or shortage may have a negative effect on Recticel's results and financial situation.

Although Recticel monitors raw material price developments and tries to reflect price increases in its sales prices when appropriate, ultimately the extent to which such increased steel, mineral wool or chemical raw material prices can be charged to customers depends on the commercial negotiations with customers and competition on the market. There may be periods of time in which Recticel is not able to timely or fully recover increases in the cost of raw materials due to weakness in demand for its products or the actions of its competitors.

3. Recticel may be subject to the risk of not identifying an M&A opportunity or not being able to afford it

Making acquisitions are an integral part of the Company's growth strategy. There can be no assurance that any of these transactions will be realised or, if realised, will be accretive to the Company.

Recticel continues to explore additional opportunities to implement its strategy which may require substantial investment and subsequent capital expenditures. To date, Recticel has been able to fund its capital investment projects through cash generated from its internal operations and debt financing. If the cash flows were reduced or if it were to make further acquisitions, Recticel would need to seek to fund its cash requirements through additional debt and equity financing or through asset divestitures.

4. If Recticel fails to identify, develop and introduce new products successfully it may lose key customers or product orders and its business could be harmed

Recticel invests constantly in the development of new products. These investments are subject to a number of risks, including: difficulties and delays in the development, production, testing and marketing of products; customer acceptance of products; resources to be devoted to the development of new technology; and the ability to differentiate the Company's products and compete with other companies which are active in the same markets.

Recticel's ability to generate future revenue and operating income depends upon, among other factors, its ability to timely develop products that are suitable for manufacturing in a cost-effective manner and that meet defined product design, technical and performance specifications.

All these factors could have a material adverse impact on the Company's activities, operations and financial results.

5. Recticel may be subject to misconduct by its employees and managers or third-party contractors

Recticel may be subject to misconduct by its employees and managers or third-party contractors, such as theft, bribery, sabotage, violation of laws or other illegal actions and may be exposed to the risk of stoppages by third parties, such as transport companies. Any such misconduct may lead to fines or other penalties, slow-downs in production, increased costs, lost revenues, increased liabilities to third parties, impairment of assets or harmed reputation, any of which may have a material adverse effect on the Company's operations, activities and financial results.

Recticel has developed various internal initiatives to limit the risk of misconduct of its own employees and managers. These initiatives include the reinforcement of the internal audit function, the setting up of a Compliance Committee whose role is to investigate matters reported to it, as well as the organisation, on a regular basis, of various internal training sessions for employees aimed at increasing awareness on compliance. However, there can be no assurance that such initiatives will result in effectively preventing any misconduct by its employees and managers.

Furthermore, such initiatives are not aimed at third party contractors, as a result of which Recticel relies on the third-party contractors' capacity to prevent misconduct by their own employees and managers.

6. Evaluation of projects and investments

Recticel may be subject to the risk that an innovation project fails and that the innovation investments do not achieve the target to contribute to a sustainable revenue growth or cost effectiveness, including the risk of not having the right human resources to achieve the incremental changes needed to achieve the innovation strategy.

7. Failure to obtain the needed raw materials

Recticel has negotiated yearly or multi-year supply agreements with important suppliers to secure its supplies of raw materials.

Notwithstanding the existence of long-term supply agreements for certain raw materials, the risk of a delivery disruption cannot be excluded. Such delivery disruptions may result from, amongst others, a major accident or incident in a supplier's processing plant, transportation problems or any other fact or circumstance that can give rise to a force majeure situation. In such case, there can be no assurance that Recticel can source alternative supplies of chemical raw materials on a timely basis and at acceptable conditions or at all, which could have a material adverse impact on our business, operations and financial results. Neither can it be excluded that a decrease in volumes of raw material procurement (i.e. due to market trends) could have an impact on raw material prices or that it could incite suppliers to end their supplies to Recticel, the latter scenario forcing Recticel to search for other suppliers, which may not be available on a timely basis or at acceptable conditions or at all. This could have a material adverse impact on Recticel's activities, operations and financial results.

8. Safety, health and the environment - new regulations and its impacts

Due to the nature of its activities, Recticel is exposed to environmental risks. Recticel uses potentially hazardous products (chemicals and the like) as part of its development activities and manufacturing processes. Pollution can never be ruled out. The Company prevents pollution by adopting appropriate industrial policies. Scenarios precisely outlining the modus operandi for tackling this type of crisis and managing the consequences thereof have been circulated throughout the organisation.

It goes without saying that the handling of these same products constitutes a health risk for staff, customers and any other visitor, particularly in the event of failure to comply with the safety rules issued by Recticel.

Due to new regulations, Recticel may face the risk that these new regulations may have a significant negative business impact. Failure to comply with the various laws and regulations governing Recticel's activities is likely to have a negative impact on these activities and invoke its liability. These activities are particularly subject to various environmental laws and regulations that are likely to expose the Company to major compliance costs or legal proceedings.

Recticel further operates in some countries in old industrial sites, already operational at a time when no or insufficient environmental legislation was in place, potentially leading to historic pollution, for which the Group may be held liable leading to important compliance or clean-up costs.

Furthermore, we may incur other major costs following the non-fulfilment of its contractual obligations or also in cases where the negotiated contractual provisions in place prove to be insufficient, or even inadequate.

9. The risk that the importance of certain stakeholders is underestimated when making strategic decisions

Recticel is exposed to the risk that the importance of certain stakeholders is underestimated when making important strategic decisions. This could lead to resistance and put at risk the implementation of the strategy.

10. Risks relating to not fully analysing the investment decisions

Recticel may face difficulties if investment decisions have not been fully analysed and as such lead to unsuccessful investments not reaching the initial objectives, as well as the risk that investment capacity is absorbed by one business unit, not leaving sufficient investment fund for more profitable investments in other business segments.

11. Risks relating to sub-optimal execution of transactions

Recticel is subject to the risk of a suboptimal execution of transactions due to the lack of preparation, communication and/or project management. Although Recticel has developed M&A guidelines, there is no assurance that these risks will not materialise, and if so, this might have a material adverse effect on the Company's operations, business and financial results.

12. Recticel's results may be substantially affected by general macroeconomic trends and the level of activity in its industries

Recticel is exposed to the risks related to an economic recession. Economic factors outside our control (including slowing economic growth, particularly in Europe, inflation or deflation or fluctuations in interest and foreign currency exchange rates) could affect Recticel's financial results and prospects.

There is a risk that certain markets in which Recticel is active will experience economic decline or a prolonged period of negligible growth in the future. The current uncertainty about economic recovery and the pace of growth may negatively affect the level of demand from existing and prospective customers. Additional factors which may influence customer demand include access to credit, budgetary constraints, unemployment rates and consumer confidence.

13. Product liability

The risk of product liability can arise should our products cause harm or injury to a user, consumer, or bystander due to a defect or other issue.

In order to manage product liability risks, Recticel has implemented robust quality control measures to ensure that our products meet industry standards and regulatory requirements. This involves conducting rigorous testing and inspections of materials and products at every stage of the manufacturing process, from raw materials sourcing to final product delivery. To protect itself from the adverse effects of product liability, Recticel has put in place general and product-specific insurance policies.

14. The implementation of Recticel's business strategy is dependent on its ability to attract and retain qualified personnel

Recticel's ability to maintain its competitive position and to implement its business strategy will largely depend on its ability to attract and retain skilled personnel and management. The loss or diminution in the services of skilled employees and management, or difficulties in recruiting or retaining them, could have a material adverse effect on Recticel's operations, business and financial results. Competition for personnel with relevant expertise is intense due to the relatively small number of qualified individuals, and we may have difficulties in obtaining or enforcing non-compete obligations from its skilled personnel and management, all of which may seriously affect Recticel's ability to retain existing skilled employees and management and attract additional qualified personnel. If we were to experience difficulties in recruiting or retaining qualified personnel, this could have a material adverse effect on the Company's operations, business and financial results.

15. COVID-19 (Corona virus)

Despite the negative impact of COVID-19 on the performance and cash flows during 2021, Recticel maintained a solid financial and liquidity position and met its financial covenants. With the lifting of COVID-19 restrictions in Belgium and other EU countries around the end of the first half 2022, we do not face any long-term impact from the COVID-19 pandemic.

16. Climate change

The Recticel operations are generally speaking not energy intensive. Consequently Recticel's own activities have a limited negative impact on the emission of greenhouse

gases. Moreover, our high-performance thermal insulation boards and insulated panels substantially overcompensate any negative impact on climate change over their product lifetime. As climate change alters weather patterns and intensifies extreme weather events, Recticel may face risks related to supply chain disruptions, production interruptions, and increased costs associated with sourcing raw materials and energy. For example, rising temperatures and changes in precipitation patterns could affect the availability and quality of raw materials needed for the manufacturing of our products. Extreme weather events like hurricanes, floods, and wildfires could impact our production facilities directly but also disrupt supply chains and cause production delays, leading to increased costs and reduced profitability.
In addition, regulations aimed at reducing greenhouse gas emissions and mitigating the impacts of climate change may increase compliance costs for Recticel. We are also required to invest in new technologies or equipment to reduce emissions or face penalties for non-compliance.

Furthermore, the company may also face reputational risks associated with their carbon footprint and environmental impact. Consumers, investors, and other stakeholders are increasingly aware of the environmental impact of manufacturing activities and may favor companies that prioritize sustainability and environmental responsibility.

To mitigate the risks associated with climate change, we continuously assess our supply chains and production processes for vulnerabilities related to weather-related disruptions and we consider diversifying our supply chains to reduce risk and invest in renewable energy sources to reduce greenhouse gas emissions and associated costs.

With respect to the direct impact of weather-related events, these are partially covered by insurances that Recticel has put in place for its operating entities.

17. Russia-Ukraine conflict

Currently Recticel has no local operations in Russia and Ukraine, nor does Recticel export to these two countries. Consequently there is no direct impact observed nor to be expected from this conflict.
However, it is not excluded that future operations and business are affected indirectly by the conflict. These indirect impacts may come from supply issues, an inflationary macro-economic environment, credit risks on customers and increasing financing costs. It is expected that these eventual impacts on operations and financial position should remain limited.

18. Information Technology and Cybersecurity

Our ability to effectively manage the business depends on the reliability and security of information technology systems. This reliance on technology also brings with it a variety of cybersecurity risks that can have severe consequences on a company's operations, reputation, and financial performance. As a public company, we take these risks very seriously and have implemented various measures to mitigate them.

One of the most significant cybersecurity risks is the threat of a data breach. A data breach can occur when unauthorized parties gain access to our company's sensitive information, such as financial records, customer data, or intellectual property. Such incidents can result in significant financial losses due to legal and regulatory penalties, loss of business, and reputational damage. To mitigate this risk, we have implemented various security protocols, including firewalls, intrusion detection and prevention systems, and encryption of sensitive data.

Another cybersecurity risk that we face is the threat of malware and phishing attacks. Malware refers to any software designed to harm or exploit computer systems, while phishing attacks aim to trick users into divulging their login credentials or other sensitive information. These attacks can result in the compromise of our network and the theft of sensitive data. To protect against these threats, we regularly update our antivirus and anti-malware software and provide training to our employees on how to spot and avoid phishing attempts.

Additionally, we face the risk of insider threats, which can come from employees, contractors, or other trusted parties with access to our systems and data. Such threats can take many forms, including theft of intellectual property, sabotage, or data breaches. To mitigate this risk, we have implemented strict access controls and monitoring mechanisms to ensure that only authorized personnel have access to sensitive information.
In conclusion, the rapidly evolving nature of technology and the increasing sophistication of cyber threats means that cybersecurity risks will continue to be a significant concern for our company. However, we remain committed to investing in state-of-the-art security measures and providing ongoing training to our employees to mitigate these risks and protect our customers, partners, and stakeholders.

[illegible]

Operational and industrial risks are usually covered by centrally managed insurance contracts. The conditions governing these contracts are reviewed on a regular basis. Recticel owns a reinsurance subsidiary, whose principal task consists of reinsuring the Company's own risk associated with the excesses that are payable by the Company under external insurance policies.

The risks and uncertainties for which provisions have been raised in accordance with IFRS rules are explained under the heading 5.4.2.5.15. of the financial section of the annual report. More precisely, these are provisions for litigation, product guarantees, environmental risks and reorganisation charges.

Recticel's Internal Audit Department is involved in implementing control procedures in the broadest sense and ensures that they are complied with. It also plays a major role in the permanent monitoring of corporate risks and contributes to the basic considerations regarding these risks in the Company.

External audit

The external audit of Recticel NV company and consolidated annual accounts has been entrusted by the Annual General Meeting of 2021 to the limited liability cooperative company PWC Bedrijfsrevisoren, with registered office at Culliganlaan 5,B-1831 Diegem, Belgium, represented by Mr Marc DAELMAN, in order to exercise control over the financial years ended December 31, 2021, 2022 and 2023.

The Auditor conducts its audits in accordance with the International Standards on Auditing (ISA) and delivers a report, which confirms whether the company's annual accounts and the consolidated financial statements of the company reflect a true and fair view of the assets, financial condition and results of the company. The Audit committee investigates and discusses these semi-annual reports in the presence of the Auditor, and afterwards also with the Board of Directors.

The remuneration of PwC (in its capacity as Auditor) for the audit of the Recticel NV annual and consolidated annual accounts intended in article 3:65 of the Belgian Companies and Associations Code, amounted to EUR 1,188K for 2022.

The global amount of the remuneration for additional services of the Statutory Auditor and parties related to the Statutory Auditor amounts to EUR 368K at the level of the Company.

The detail of these fees is included in the notes to VOL 6.18.2. in the statutory annual accounts as well as in the notes in the financial part of the consolidated annual report.

The annual fees of the statutory auditor amount to EUR 481K, including domestic expenses and excluding IBR contribution, travel and accommodation expenses abroad and VAT.

Composition of the Board of Directors

Recticel's Board of Directors currently consists of seven members. There are six non-executive directors, five of which are independent. OLIVIER CHAPELLE SRL, represented by Mr. Olivier CHAPELLE, Managing Director, is the executive director.

The Managing Director represents the management and one director represents the reference shareholder.

With reference to the obligation to have at least 1/3 of the members of the Board of Directors of the opposite gender as provided by article 7:86 of the Belgian Companies' and Associations Code, the Board of Directors reviewed different options during the last years in order to increase the number of female members. At present, two out of the seven directors are women. As a result, the obligation of article 7:86 of the Belgian Companies' and Associations Code is complied with.

The following table provides an overview of the current members of the Recticel Board of Directors.

Name	FUNCTION	TYPE	YEAR OF BIRTH	START OF MANDATE	END OF MANDATE	PRIMARY FUNCTION OUTSIDE OF RECTICEL	MEMBERSHIP COMMITTEE
Johnny THIJS [a]	Chairman	Independent	1952	2015	2023	Chairman Electrabel, Hospital Logistics and Golazo, Director Essers	AC / RC
Olivier CHAPELLE [b]	Managing Director	Executive	1964	2009	2025	Director Cofinimmo, Innovation Fund and Calyos	MC
Ingrid MERCKX [c]	Director	Independent	1966	2012	2025	Independent Consultant for Imrada bv and Rodina nv	AC
Luc MISSORTEN [d]	Director	Independent	1955	2015	2024	Director GIMV, Chairman Audit Committee GIMV, Managing Director Lubis bv	AC / RC
Kurt PIERLOOT [e]	Director	Independent	1972	2015	2024	CEO Bleckmann	RC
Elisa VLERICK [f]	Director	Independent	1986	2019	2025	Partner at 9.5 Ventures VC fund, Director Vlerick Group	AC
Filip BALCAEN [g]	Director	Non-executive	1960	2022	2025	Executive Chairman Baltisse nv, Chairman House of Talents, Chairman Polifam, Chairman Baobab, Director Pentahold	RC

[a] in his capacity as Permanent Representative of THIJS JOHNNY BV
[b] in his capacity as Permanent Representative of OLIVIER CHAPELLE SRL
[c] in her capacity as Permanent Representative of IMRADA BV
[d] in his capacity as Permanent Representative of LUBIS BV
[e] in his capacity as Permanent Representative of CARPE VALOREM BV
[f] in her capacity as Permanent Representative of MOROXCO BV
[g] from 9/3/2022, in his capacity as Permanent Representative of BALTISSE NV

AC = Audit Committee
RC = Remuneration & Nomination Committee
MC = Management Committee

Amendments since the previous annual report – statutory appointments – presentation of new directors

As proposed by the Board of Directors and based upon the recommendation made by the Remuneration and Nomination committee, the following has been decided during the Ordinary General Meeting dated 31 May 2022:

- Renewal of the mandate of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS, as non-executive and independent director for a new term of one year ending after the Ordinary General Meeting of 2023.
- Renewal of the mandate of OLIVIER CHAPELLE BV, permanently represented by Mr. Olivier CHAPELLE as executive director for a new term of three years sending after the Ordinary General Meeting of 2025.
- Renewal of the mandate of MOROXCO BV, permanently represented by Ms. Elisa VLERICK, as non-executive and independent director for a new term of three years ending after the Ordinary General Meeting of 2025.
- Renewal of the mandate of IMRADA BV, permanently represented by Ms. Ingrid MERCKX, as non-executive and independent director for a new term of three years ending after the Ordinary General Meeting of 2025.
- Acceptation of the resignation of Ms. Carla SINANIAN as non-executive and independent director, with effect on 12 January 2022. It was decided not to replace her.
- Acceptation of the resignation of COMPAGNIE DU BOIS SAUVAGE SA, permanently represented by Mr. Frédéric VAN GANSBERGHE, as non-executive director, with effect on 23 February 2022. In accordance with article 18 of the articles of association, COMPAGNIE DU BOIS SAUVAGE SA will be replaced by BALTISSE NV, permanently represented by Mr. Filip BALCAEN, , as from March 9, 2022.
- Acceptation of the resignation of COMPAGNIE DU BOIS SAUVAGE SERVICES SA, permanently represented by Mr. Benoit DECKERS, as non-executive director, with effect on 23 February 2022. It was decided not to replace it.
- Confirmation of the appointment of BALTISSE NV, permanently represented by Mr. Filip BALCAEN as non-executive director for a term of three years ending after the Ordinary General Meeting of 2025.
- Confirmation as independent director of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS within the meaning of article 7:87 of the Companies and Associations Code. Both Mr. Johnny THIJS and THIJS JOHNNY BV meet all criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided by principle 3.5. Of the Corporate Governance Code 2020).
- Confirmation as independent director of MOROXCO BV, permanently represented by Ms. Elisa VLERICK within the meaning of article 7:87 of the Companies and Associations Code. Both Ms. Elisa VLERICK and MOROXCO BV meet all the criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided for by principle 3.5. Of Corporate Governance Code 2020).
- Confirmation as independent director of IMRADA BV, permanently represented by Ms. Ingrid MERCKX within the meaning of article 7:87 of the Companies and Associations Code. Both Ms. Ingrid MERCKX and IMRADA BV meet all the criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided for by principle 3.5. of Corporate Governance Code 2020).

Upon advice of the Remuneration & Nomination Committee, the Board of Directors proposes at the Ordinary General Meeting of 30 May 2023 to approve the following:

- Renewal of the mandate of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS, as non-executive and independent director for a new term of one year ending after the Ordinary General Meeting of 2024.
- Confirmation as independent director of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS within the meaning of article 7:87 of the Companies and Associations Code. Both Mr. Johnny THIJS and THIJS JOHNNY BV meet all criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided by principle 3.5. of the Corporate Governance Code 2020).

Functioning of the Board of Directors

The Board of Directors gathered a total of 9 times in 2022. One meeting handled mainly the 2022 budget and two meetings handled the establishment of the annual accounts as per 31 December 2021 and the mid-year accounts as per 30 June 2022.

Each meeting also addressed the state of affairs per business line and the most important current acquisition and/or divestment files. Other subjects (human resources, external communication, litigations and legal issues, delegations of authority and such) are discussed as and when necessary.

The written decision procedure was not applied in 2022.

Mr. Dirk VERBRUGGEN, Chief Financial & Legal Officer (representing Roffoelkin BV), acts as Secretary of the Board of Directors.

The individual attendance rate of the directors at the meetings in 2022 was:

Name	ATTENDANCE RATE IN 2022
Johnny THIJS [a]	9/9
Olivier CHAPELLE [b]	9/9
Ingrid MERCKX [c]	9/9
Luc MISSORTEN [d]	9/9
Kurt PIERLOOT [e]	9/9
Elisa VLERICK [f]	9/9
Filip BALCAEN [g]	6/6

[a] in his capacity as Permanent Representative of THIJS JOHNNY BV
[b] in his capacity as Permanent Representative of OLIVIER CHAPELLE SRL
[c] in her capacity as Permanent Representative of IMRADA BV
[d] in his capacity as Permanent Representative of LUBIS BV
[e] in his capacity as Permanent Representative of CARPE VALOREM BV
[f] in her capacity as Permanent Representative of MOROXCO BV
[g] from 9/3/2022, in his capacity as Permanent Representative of BALTISSE NV

The Board of Directors organises a self-assessment of its functioning as well as an assessment of its interaction with the members of the Management Committee on a regular basis. Such self-assessment starts through a questionnaire to be remitted to and completed by each individual director. The results of the questionnaire are then be discussed and further analysed during a subsequent meeting of the Board of Directors. The last formal assessment took place in 2021 and the results and recommendations thereof were presented to the Board of Directors in February 2022 and implemented. The individual assessment of the directors is done by the Remuneration and Nomination Committee.

4.3.3 Committees set up by the Board of Directors

4.3.3.1 Audit Committee

In accordance with article 7:99 of the Belgian Companies and Associations Code, the audit committee supervises amongst others the financial reporting process, the effectiveness of the internal control and risk management systems of the company, the internal audit, the statutory control of the annual accounts and the consolidated accounts, and the Auditor's independence. The Audit committee's terms of reference are included in the Corporate Governance Charter that also describes more in detail the tasks of the Audit Committee.

The Audit committee currently consists of four members. All members are non-executive directors and three members, one of which is the Chairman, are independent directors in the sense of article 7:87,§1 of the Belgian Companies and Associations Code iuncto principle 3.5 of the Corporate Governance Code 2020.

Mr. Dirk VERBRUGGEN, Chief Financial & Legal Officer (representing Roffoelkin BV), acts as Secretary of the Audit committee.

The composition of the Audit committee complies with the stipulations of the Recticel NV articles of association and the relevant provisions of the Belgian Companies and Associations Code.

In accordance with Article 7: 100 Belgian Companies and Associations Code, Recticel declares that the Chairman of the Audit Committee, Mr. Luc MISSORTEN, has the necessary expertise in the field of accounting and auditing. The chairman and other members of the Audit Committee also have collective expertise in the area of the Company's activities.

The following table contains the members of the Audit committee during the financial year 2022 to date.

Name	FUNCTION	ATTENDANCE RATE IN 2022
Luc MISSORTEN [a]	Chairman	4/4
Johnny THIJS [b]	Member	4/4
Ingrid MERCKX [c]	Member	4/4
Elisa VLERICK [d]	Member	2/2

[a] In his capacity as Permanent Representative of LUBIS BV
[b] In his capacity as Permanent Representative of THIJS JOHNNY BV
[c] In her capacity as Permanent Representative of IMRADA BV
[d] From 27/4/2022 in her capacity as Permanent Representative of MOROXCO BV

The Audit committee convened four times in 2022. Two meetings were devoted primarily to the audit of the annual accounts per 31 December 2021 and the interim accounts per 30 June 2022. All meetings also focus on the internal audit program, risk management, compliance, taxation and IFRS related accounting questions. There was at least two times a meeting with the statutory auditor and the person responsible for internal audit.

The Audit Committee conducts regularly an informal self-assessment of its functioning during one of its meetings and reserves the necessary time to discuss and analyse the same. A formal assessment was conducted in 2021 and the results and recommendations were discussed and implemented in early 2022.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee makes proposals to the Board of Directors regarding the remuneration policy and the individual remuneration of directors and members of the Management Committee and prepares and explains the remuneration report at the Ordinary General Meeting. They also make the necessary proposals regarding the evaluation and re-appointment of directors as well as the appointment and induction of new directors. The terms of reference of the Remuneration and Nomination Committee are included in Recticel's Corporate Governance Charter.

The Remuneration and Nomination Committee consists of four members, all non-executive directors, of which three are independent directors.

Mr. Dirk VERBRUGGEN, Chief Financial & Legal Officer (representing Roffoelkin BV), fulfils the role of secretary of the Remuneration and Nomination Committee.

The composition of the Remuneration and Nomination committee meets the requirements with respect to the Belgian Companies and Associations Code, as well as the requirements of the Corporate Governance Code 2020.

The committee is composed as follows:

Name	FUNCTION	ATTENDANCE RATE IN 2022
Johnny THIJS [a]	Chairman	2/2
Kurt PIERLOOT [b]	Member	2/2
Luc MISSORTEN [c]	Member	2/2
Filip BALCAEN [d]	Member	1/1

[a] In his capacity as Permanent Representative of THIJS JOHNNY BV
[b] In his capacity as Permanent Representative of CARPE VALOREM BV
[c] In his capacity as Permanent Representative of LUBIS BV
[d] From 27/4/2022, in his capacity as Permanent Representative of BALTISSE NV

In accordance with the article 7:100 of the Belgian Companies and Associations Code, Recticel declares that the Remuneration and Nomination committee possesses the necessary expertise in the area of remuneration policy.

The Remuneration and Nomination committee convened two times in 2022.

These meetings dealt with the fixed and variable remuneration of the executive management as well as with the election and re-election of directors. The CEO was present at the discussion about the remuneration of the other members of the executive management.

The Remuneration and Nomination Committee conducts regularly an informal self-assessment of its functioning during one of its meetings and reserves the necessary time to discuss and analyse the same. A formal assessment by an external partner was performed in 2021 and the results and recommendations were discussed and implemented in early 2022.

Strategy Committee

There was one ad hoc strategy committee meeting in 2022 following the unsolicited takeover bid by Greiner AG.

This last meeting dealt with the final stages of the Greiner bid development and its consequences.

Mr. Dirk VERBRUGGEN, Chief Financial & Legal Officer (representing Roffoelkin BV), fulfils the role of secretary of the Strategy Committee.

The committee was formed by all independent members of the Board of Directors and without Olivier Chapelle:

Name	FUNCTION	ATTENDANCE RATE IN 2022
Johnny THIJS [a]	Chairman	1/1
Luc MISSORTEN [b]	Member	1/1
Kurt PIERLOOT [c]	Member	1/1
Ingrid MERCKX [d]	Member	1/1
Elisa VLERICK [e]	Member	1/1

[a] In his capacity as Permanent Representative of THIJS JOHNNY BV
[b] In his capacity as Permanent Representative of LUBIS BV
[c] In his capacity as Permanent Representative of CARPE VALOREM BV
[d] In her capacity as Permanent Representative of IMRADA BV
[e] In her capacity as Permanent Representative of MOROXCO BV

Executive Management

The Board of Directors has entrusted the day-to-day management of the company to its Managing Director and Chief Executive Officer, OLIVIER CHAPELLE SRL, located in 1180 Brussels, Avenue de la Sapinière 28, represented by its General Manager and permanent representative, Mr. Olivier CHAPELLE.

The Managing Director is assisted by the Management Committee, of which the members (for the period 2022 to present) are indicated in the following list:

Name	FUNCTION
Olivier CHAPELLE [a]	Chief Executive Officer
Ralf BECKER	General Manager Insulation Boards
Betty BOGAERT	Chief Information and Digitalisation Officer
Rob NIJSKENS	Chief Human Resources Officer
Dirk VERBRUGGEN [b]	Chief Financial & Legal Officer
Božo ČERNILA [c]	General Manager Insulated Panels

[a] In his capacity as permanent representative of OLIVIER CHAPELLE SRL
[b] In his capacity as permanent representative of ROFFOELKIN BV
[c] From 29/4/2022

On 31 March 2022, Jean-Pierre DE KESEL, Chief Sustainable Innovation Officer and François PETIT, Chief Procurement Officer have retired.

On 2 September 2022, François DESNE, General Manager Engineered Foams, has decided to leave the company. He is replaced ad interim by Olivier Chapelle, CEO.

The Management Committee has an advisory role vis-à-vis the Board of Directors as a whole and is not an executive committee in the sense of article 7:104 of the Belgian Companies and Associations Code.

4.3.3 Remuneration report for financial year 2022

4.3.3.1 Introduction

a) 2022 business results

- For the continued operations, the Net Sales increased by 25% to EUR 561.5 million, despite an increasingly challenging construction market. Growing economic uncertainties, high inflation rates, and rising interest rates weighted negatively on construction activities. Reactivity on pricing and margin management contributed to deliver solid results. The level of Adjusted EBITDA increased by 28% to EUR 62.2 million.

- On the M&A side, the acquisition of Trimo d.o.o. was completed in May 2022. Trimo was fully integrated into Recticel as "Insulated Panels" and lays a broader basis for further internal and external growth. The divestment of the Engineered Foams division is expected to be completed on 31 May 2023.

- With regards to ESG and sustainable development, Recticel has committed to SBTi and reports a 11% reduction of its carbon emissions (Scope 1 & 2) vs. 2021.

b) 2022 remuneration outcomes

- The remuneration levels reflect the ability of Recticel to generate solid results despite an economic environment that has deteriorated, as well as the buoyant M&A activity with the successful acquisition of Trimo and the foreseen divestment of the Engineered Foams division.

Annual bonus awards

- The annual bonus awards depend for a large part on the achievement of pre-determined levels of Free Cash Flow and Adjusted EBITDA, as well as pre-defined Sustainability objectives, in addition to the completion of personal objectives focusing on M&A and business growth.
- Insulation Boards achieved levels of Free Cash Flow and Adjusted EBITDA below target and this generated a payout of 53% and 35% respectively. Its CO_2 emission reduction target was overachieved and this triggered a payout at maximum (125%).
- For Insulated Panels, the level of Free Cash Flow and the level of Adjusted EBITDA were above target, with respective payouts of 99% and 125%. The ambitioned Ecovadis ranking has also been reached, which returned a payout at target (75%).

Further details are provided in the "STI (One-Year Variable)" section of this report.

Stock options – The 2018 stock option grant vested on 1 January 2022. Another grant was made in May 2022 at a strike price of EUR 17.74.

Management Committee membership: On 29 April 2022, Božo Černila joined the Management Committee as General Manager Insulated Panels. Jean-Pierre De Kesel, Chief Sustainable Innovation Officer, and François Petit, Chief Purchasing Officer, were members of the Management Committee until 31 March 2022 and François Desné, General Manager Engineered Foams, until 2 September 2022.

c) Shareholder engagement

The Annual General Meeting held on 31 May 2022 approved the 2021 remuneration report with 62.35% of shareholder votes.

In establishing its remuneration policy and its future revisions, Recticel endeavors to take into account the votes and views of the shareholders. Recticel is committed to an open and transparent dialogue with its shareholders on remuneration as well as other governance matters. As an example, Recticel adjusted its remuneration report in order to better disclose the different components of the performance criteria of its Short Term Incentive and how the overall level of achievement is linked to each target.

d) Benchmarks

- Benchmarking: Recticel benchmarked the remuneration levels of its Executive and Non-Executive Directors in 2022, in order to review and inform pay decisions in 2023.
- Remuneration policy: In accordance with the legislation, the policy of Recticel will be submitted to the votes of the General Meeting of Shareholders in 2023 as it will then have been in place for four years. No significant changes are foreseen.

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4.3.1 Our Remuneration Policy at a glance

The remuneration policy was reviewed and validated by the Remuneration Committee on 25 February 2019 and approved by the Board of Directors on 27 February 2019. The policy was adopted during the General Meeting of Shareholders on 28 May 2019 and became effective as of 1 January 2019. It is available for consultation on the company website. The contents of the policy were established following the requirements of the Shareholder Rights Directive, the Belgian Companies and Associations Code and the new Corporate Governance Code 2020.

a) Directors

Per policy terms, Directors receive a fixed fee / retainer and an attendance fee, whereas Committee Members receive attendance fees.

	BOARD		COMMITTEE	
Directors	CHAIR	MEMBER	CHAIR	MEMBER
Fixed Fee	€ 30,000	€ 15,000	N/A	N/A
Attendance fee	€ 5,000	€ 2,500	€ 5,000	€ 2,500

In accordance with the policy, Non-Executive Board Members do not receive variable and/ or equity-related remuneration as referred to under principle 7.6. of the Corporate Governance Code 2020. Recticel considers that the Corporate Governance Code's goals of promoting the achievement of strategic objectives in accordance with the company's risk appetite and behavioural norms and promoting sustainable value creation are better served by remunerating the non-executive directors entirely in cash to avoid any conflicts of interest and guarantee their complete financial independence.

Non-Executive Board Members are not entitled to receive benefits. Expenses incurred when travelling abroad will be arranged for by Recticel directly.

Executive Directors are remunerated in accordance with the remuneration policy for the members of the Management Committee and any director fees paid to the Executive Directors are deducted from the remuneration received as a member of the Management Committee.

The level and structure of remuneration paid to the Directors is regularly assessed against "BEL Mid" market practice.

b) Management Committee

The level as well as the structure of the remuneration of the Management Committee members is reviewed annually by the Remuneration and Nomination Committee, which consequently presents a proposal to the Board of Directors for approval. When determining the remuneration levels for the members of the Management Committee, Recticel considers a Belgian frame of reference comprising companies similar in size (as compared on the basis of revenues) and exclusive of the Financial Sector. The objective is to establish target remuneration levels that, as a general rule, are at or around the median market level and this as far as the performance of the Company can afford it.

The total remuneration package of the Management Committee members consists of the following elements.

Element	Operation and performance criteria
Base Pay	Individual's role, experience, performance and market practice are considered when determining salary levels. Any director fees paid to the Executive Directors are deducted from the remuneration received as a member of the Management Committee.
Other Benefits	The Management Committee Members receive benefits in line with Recticel's remuneration policy which states that benefits and perquisites are provided in line with competitive practices in the market where the Executive in question is based and mainly include hospitalization, disability coverage and a company car. Members operating through a management company do not receive perquisites and benefits, though certain costs may be invoiced separately.
One-Year Variable (STI)	Operation: - For threshold performance: the bonus pay-out will be nil. - For target performance: the bonus pay-out will be 75% of base pay for the CEO and 37.5% for the other Management Committee members. - For maximum performance: the bonus pay-out will be 118.75% of base pay for the CEO. For the other Management Committee members, it is 59.38%. - No deferral policy is applicable. Performance criteria: The annual bonus is linked to both collective targets and personal targets. For the performance year 2022, in accordance with the strategic reorientation of the company and the foreseen divestment of the Engineered Foams division, the Board of Directors decided to adjust the performance criteria to award bonuses for performance year 2022. For General Managers, the Group Net Cash Flow was replaced by the Free Cash Flow of their respective Division. For the CEO and the other members of the Management Committee, it was replaced by the Free Cash Flow of the Insulation Boards Division, and the Group Adjusted EBITDA was replaced by the Adjusted EBITDA of the Insulation Boards Division. It was also decided that Cash Flow and Adjusted EBITDA targets will be used in the same proportion in order to award bonuses. In addition, in order to further embed the deployment of our sustainability strategy across the organization, the bonus award also depends on the accomplishment of an ESG objective determined for each division. In the course of the year, Recticel finalized the acquisition of Trimo d.o.o., a leader in the design and manufacturing of insulated panels. The bonus plan of their General Manager was aligned with the above principles. CEO & other members of the Management committee  Article 7:91 of the Belgian Companies and Associations Code prescribes the need to spread variable remuneration payments over a three year period in case certain thresholds are passed. The 25% threshold was passed in the case of the Managing Director and CEO, Olivier Chapelle SRL, represented by Olivier Chapelle, as well as all other members of the Management Committee. Hence the Board of Directors proposed to the 2022 General Shareholder meeting to approve a deviation from the said rule in line with the possibility offered by the legislation. This proposal was approved during the 2022 General Shareholders' meeting.

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Multi-Year Variable (LTI)	The long-term incentive plan is granted by means of stock options. Options granted in 2022 cannot be exercised before 1st January 2026, nor can they be exercised later than 12th May 2029.
Dismissal period or severance pay	On termination of the employment of a member of the Management Committee by the company, Recticel will apply a notice of 12 months, unless other applicable legal mandatory provisions require to apply a higher number of months.
Pension	Members of the Management Committee employed in Belgium before 2003 are included in the Recticel Defined Benefit Plan, members hired externally since 2003 are included in the Recticel Defined Contribution Plan.
Contract	The CEO and one other member of the Management Committee provide services through a management company.
Clawback	No clawback provisions are in place for the annual bonus plan, in deviation of principle 7.12 of the Corporate Governance Code 2020. Recticel considers that based on general principles of law, the company can recover payments (1) if they were undue or (2) in case of fraud. The company does not wish to renegotiate existing agreements with Management Committee members to provide for additional clawback possibilities.
Shareholding guidelines	The members of the Management Committee are encouraged to build stock ownership in the company up to an amount equivalent to 50% of their annual gross base pay over a period of 5 years, preferably by keeping part of the stocks that they purchase under the existing stock option plan.

On 29 April 2022, Božo ČERNILA joined the Management Committee as General Manager Insulated Panels. Božo ČERNILA is employed in Slovenia. His terms and conditions follow the above policy.

Remuneration of the Non-Executive Directors

The following table sets out the total remuneration for each Non-Executive Director in 2022.

Name of Director	FIXED FEE	ATTENDANCE FEES
THIJS JOHNNY BV, represented by Johnny THIJS	€ 30,000	€ 65,000
OLIVIER CHAPELLE SRL, represented by Olivier CHAPELLE	€ 15,000	€ 20,000
IMRADA BV, represented by Ingrid MERCKX	€ 15,000	€ 32,500
CARPE VALOREM BV, represented by Kurt PIERLOOT	€ 15,000	€ 27,500
MOROXCO BV, represented by Elisa VLERICK	€ 15,000	€ 27,500
LUBIS BV, represented by Luc MISSORTEN	€ 15,000	€ 47,500
BALTISSE NV, represented by Filip BALCAEN [a]	€ 12,125	€ 15,000

[a] *From 9/3/2022.*

4.3.3.4 Remuneration of the Management Committee Members

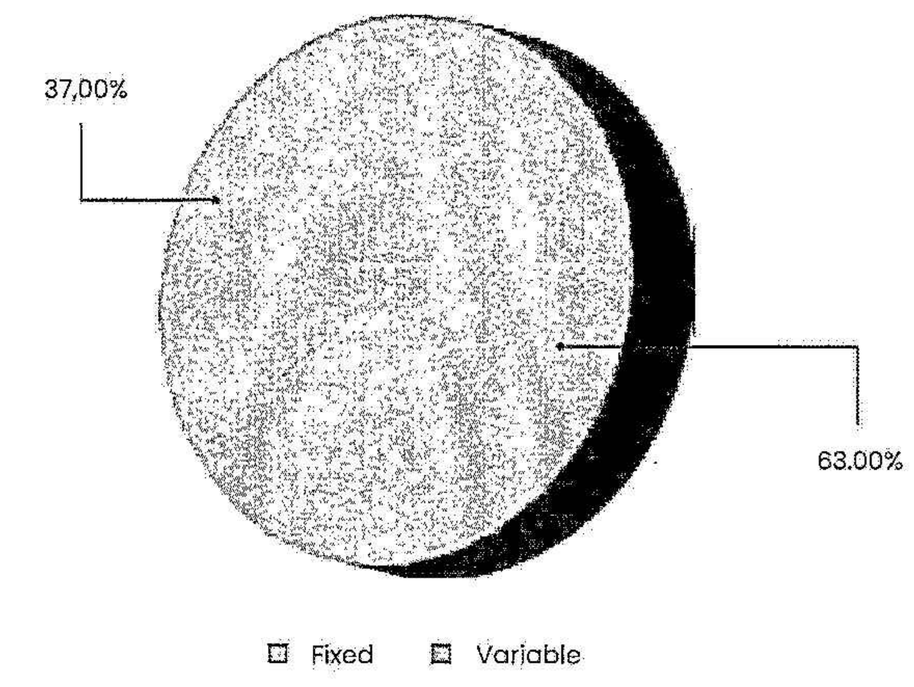
a) Total Remuneration

An overview of the total remuneration of the CEO and the other members of the Management Committee in 2022 can be found in the table below.

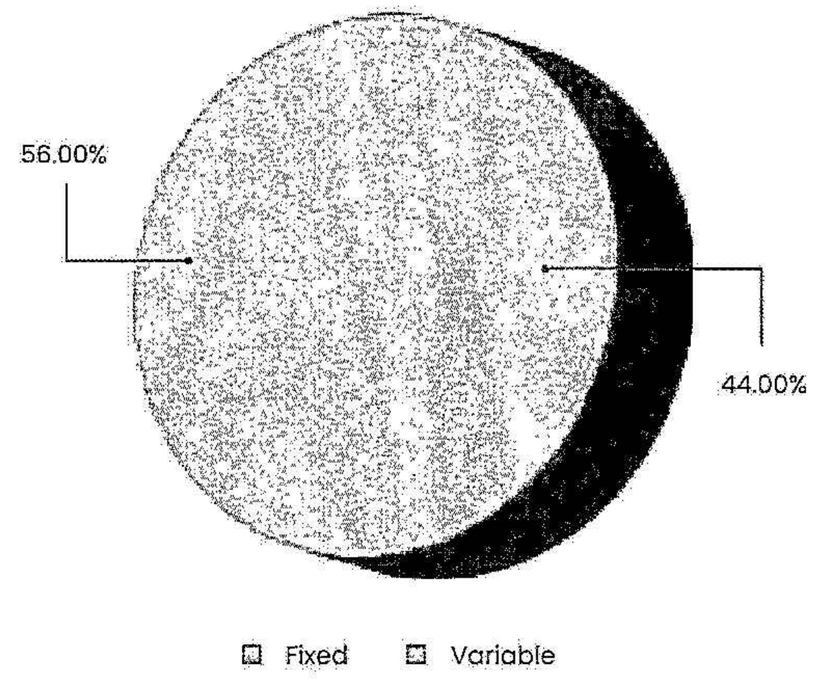
Incumbent name	1 – FIXED REMUNERATION		2 – VARIABLE REMUNERATION		3 – EXTRAORDINARY ITEMS [c]	4 – PENSION EXPENSE	5 – TOTAL REMUNERATION (1+2+3+4)	PROPORTION OF FIXED AND VARIABLE REMUNERATION	
	BASE PAY	OTHER BENEFITS	ONE-YEAR VARIABLE [d]	MULTI-YEAR VARIABLE				FIXED (1+4)/(5-3)	VARIABLE (2)/(5-3)
OLIVIER CHAPELLE SRL represented by Olivier CHAPELLE (CEO)[a]	€ 600,000	€ 885	€ 302,048	€ 731,000	€ 3,500,000	€ 0	€ 5,133,933	37%	63%
Other Members of the Management Committee [b]	€ 1,814,643	€ 131,182	€ 522,461	€ 1,133,050	€ 1,166,666	€ 141,640	€ 4,909,642	56%	44%

[a] Only the CEO receives fees as Executive Director. These are deducted from the base pay. Fees therefore are not presented in a separate column in the table above.
[b] For the Other Members of the Management Committee, the table includes Jean-Pierre De Kesel until 31st March 2022, François Petit until 31st March 2022 and François Desné until 2d September 2022. This applies to all the other tables included in this section.
[c] "Extraordinary items" consist of the payment of the strategic reorientation bonus granted in February to the CEO and one other member of the Management Committee in the context of a strategic reorientation plan. As reported in the annual report of 2020 approved by the Shareholders' meeting of 25th May 2021, this arrangement provided for the potential payment of a cash bonus upon the successful execution of the strategic reorientation plan provided that this occurs no later than 31 March 2022.
[d] For the CEO and another member of the Management Committee, the amounts reported under "One-Year Variable" does not include that part of the Short-Term Incentive that is conditioned by the successful closing of the sale of the Engineered Foams division.

Proportion of fixed and variable remuneration - CEO



Proportion of fixed and variable remuneration - Other



b) Fixed remuneration

Base pay + Other Benefits

Fixed Remuneration

Base pay

The table below shows the base pay actually paid in 2022 to the CEO and the other members of the Management Committee and how it compares to 2021.

Incumbent Name	2021	2022	2022 VS. 2021
OLIVIER CHAPELLE SRL represented by Olivier CHAPELLE (CEO) [a]	€ 590,000	€ 600,000	1.69%
Other Members of the Management Committee [b]	€ 2,292,656	€ 1,814,643	- 20.85%

[a] The base pay levels for OLIVIER CHAPELLE SRL include the fees received as a Member of the Board of Directors (EUR 35,000 in 2022).

[b] The decrease of the base pay total for the Other Members of the Management Committee is due to the departure of three management committee members in the course of 2022.

Other benefits

The amounts mentioned in the column "Other benefits" in the total remuneration table in section 4.3.8.4. a) relate to the following benefits: insurances (death, disability, medical), company car (leasing costs), fuel costs, mobile phone costs and schooling costs, and exclude pension.

c) Variable Remuneration

One-year variable + Multi-year variable

Variable Remuneration

STI ("One-Year Variable")

2022 Performance against Targets

The achievement of the performance targets was measured during a period of time that started on 1 January 2022 and ended on 31 December 2022. As per our remuneration policy, the evaluation of the CEO's performance was done by the Remuneration and Nomination Committee on the basis of audited company results before presenting a proposal to the Board of Directors. The evaluation of the other Management Committee members was done by the CEO on the basis of audited company results, who then discusses this with the Remuneration and Nomination Committee before presenting a proposal to the Board of Directors.

The STI depends on the achievement of collective and personal objectives. For collective objectives, the payout progression is such that achieving budget delivers 75% of the bonus pay out opportunity. No payment is due in case the level of Free Cash Flow achieved during 2022 is less than or equal to 80% of the budgeted level (90% for Adjusted EBITDA). The maximum payout (125%) is reached in case the achieved level of Free Cash Flow is 140% of the budget (115% for Adjusted EBITDA). A specific payout progression was devised for the ESG objective of each division. The payout progression follows a 'straight line' between each control point. Each collective objective is assigned a specific weight: 32.5% for the Free Cash Flow, 32.5% for the Adjusted EBITDA and 10% for the ESG objective. Personal objectives consist of a selection of three to five SMART targets focusing mainly on M&A, capacity increases, new product introduction and innovation. The achievement of each personal objective is rated on a scale from 0 to 100.

2022 payout progression

% weight	PAYOUT LEVEL	0% PAYOUT	50% PAYOUT	75% PAYOUT	100% PAYOUT	125% PAYOUT
32.50%	Divisional Free Cash Flow (% budget)	80.00%	90.00%	100.00%	120.00%	140.00%
32.50%	Adjusted EBITDA (% budget)	90.00%	95.00%	100.00%	107.50%	115.00%
Corresponding payout for the CEO (% base pay)						
32.50%	Divisional Free Cash Flow	0.00%	16.25%	24.38%	32.50%	40.63%
32.50%	Adjusted EBITDA	0.00%	16.25%	24.38%	32.50%	40.63%
10.00%	ESG	0.00%	5.00%	7.50%	10.00%	12.50%
25.00%	Personal objectives	0.00%	12.50%	18.75%	25.00%	Not applicable
100.00%	Total	0.00%	50.00%	75.00%	100.00%	118.75%
Corresponding payout for the other members of the Management Committee (% base pay)						
32.50%	Divisional Free Cash Flow	0.00%	8.13%	12.19%	16.25%	20.31%
32.50%	Adjusted EBITDA	0.00%	8.13%	12.19%	16.25%	20.31%
10.00%	ESG	0.00%	2.50%	3.75%	5.00%	6.25%
25.00%	Personal objectives	0.00%	6.25%	9.38%	12.50%	Not applicable
100.00%	Total	0.00%	25.00%	37.50%	50.00%	59.38%

STI payout for the performance year 2022

Beneficiary	STI OBJECTIVES		% WEIGHT	ACTUAL PAY OUT (% BASE SALARY)	ACTUAL AMOUNT
CEO	Collective Objectives	Divisional Free Cash Flow (Insulation Boards)	32.50%	17.17%	€ 102,999
		Adjusted EBITDA (Insulation Boards)	32.50%	11.27%	€ 67,626
		ESG	10.00%	12.5%	€ 75,000
	Personal Objectives [a]		25.00%	9.4%	€ 56,423
	Total		100.00%	50.34%	€ 302,048
Other members of the Management Committee	Collective Objectives	Divisional Free Cash Flow (Insulation Boards, Insulated Panels or Engineered Foams, depending on position)	32.50%	10.45%	€ 157,140
		Adjusted EBITDA (Insulation Boards, Insulated Panels or Engineered Foams, depending on position)	32.50%	9.17%	€ 132,570
		ESG	10.00%	5.42%	€ 89,094
	Personal Objectives [a]		25.00%	10.02%	€ 143,657
	Total		100.00%	35.06%	€ 522,461

[a] For the CEO and one other member of the Management Committee, the payout in relation to the Personal Objectives does not include that part that is conditioned by the successful closing of the sale of the Engineered Foams division.

LTI ("Multi-Year Variable")

(i) Grant made in 2022

The theoretical value of the options at grant is calculated by applying the Black & Scholes formula, taking into account certain assumptions regarding dividend payment (dividend yield: 1.63%, interest rate: 1.125% and volatility 40.7%). For the grant in May 2022, the value amounted to EUR 5.741/warrant.

Incumbent name (position)	NUMBER OF OPTIONS GRANTED	STRIKE PRICE	TOTAL THEORETICAL VALUE AT GRANT
OLIVIER CHAPELLE (Chief Executive Officer)	120,000	€ 17.74	€ 688,920
Ralf BECKER (General Manager Insulation Boards)	30,000	€ 17.74	€ 172,230
Božo ČERNILA (General Manager Insulated Panels)	30,000	€ 17.74	€ 172,230
Rob NIJSKENS (Chief Human Resources Officer)	30,000	€ 17.74	€ 172,230
Betty BOGAERT (Chief Information & Digitalisation Officer)	30,000	€ 17.74	€ 172,230
Dirk VERBRUGGEN (Chief Financial & Legal Officer)	30,000	€ 17.74	€ 172,230

(ii) 2022 Vesting

The following stock options, relating to the April 2018 grant, vested on January 1st, 2022.

Incumbent name (position)	NUMBER OF OPTIONS VESTED	STRIKE PRICE	SHARE PRICE AT VESTING	VALUE AT VESTING
OLIVIER CHAPELLE (Chief Executive Officer)	100,000	€ 10.21	€ 17.52	€ 731,000
Ralf BECKER (General Manager Insulation Boards)	25,000	€ 10.21	€ 17.52	€ 182,750
Betty BOGAERT (Chief Information & Digitalisation Officer)	25,000	€ 10.21	€ 17.52	€ 182,750
Dirk VERBRUGGEN (Chief Financial & Legal Officer)	25,000	€ 10.21	€ 17.52	€ 182,750
Rob NIJSKENS (Chief Human Resources Officer)	5,000	€ 10.21	€ 17.52	€ 36,550
François DESNE (General Manager Engineered Foams)	25,000	€ 10.21	€ 17.52	€ 182,750
Jean-Pierre DE KESEL (Chief Sustainable Innovation Officer)	25,000	€ 10.21	€ 17.52	€ 182,750
François PETIT (Chief Procurement Officer)	25,000	€ 10.21	€ 17.52	€ 182,750

No stock options were granted to Božo Černila, who was appointed General Manager Insulated Panels on 29 April 2022, and no options vested in 2022.

d) Extraordinary items

As already disclosed in the 2020 remuneration report approved by the Shareholders' meeting of 25th May 2021, in the context of a strategic reorientation plan, Recticel introduced a one-off strategic reorientation bonus arrangement for its CEO and one other member of the Management Committee in February 2020. This arrangement provides for the potential payment of a cash bonus upon the successful execution of the strategic reorientation plan provided that this occurs no later than 31 March 2022 (payment based on share price) and a potential second payment in 2023 depending on the evolution of the share price between the first payment and 31 March 2023. Payment is subject to the beneficiary still being engaged by the Company or qualifying as a Good Leaver on the relevant calculation date. Accordingly, as all the foreseen objectives of the first and second steps were fulfilled, a total payment of EUR 4,666,666 was made to the CEO and one other member of the Management Committee. No further payments are due under this scheme.

e) Pension expenses

Name of Director (position)	PENSION EXPENSES
OLIVIER CHAPELLE SRL, represented by Mr. Olivier CHAPELLE, Chief Executive Officer	Included in fee
Other Members of the Management Committee	€ 141,640

For salaried members of the Management Committee, Recticel reports the actual contributions paid into the plan for DC plan beneficiaries. For DB plan beneficiaries, Recticel reports the service cost as the plan is a collective plan.

f) Additional disclosure

- Recticel did not apply any clawback provisions during the year under review.
- The level of shareholdership of the non-executive directors on 31st December 2022 is displayed in the table below.

Level of shareholdership of the non-executive directors.

Director	NUMBER OF SHARES
Johnny Thijs	77,400
Olivier Chapelle	292,598
Ingrid Merckx	0
Luc Missorten	0
Kurt Pierloot	0
Elisa Vlerick	0
Filip Balcaen	0
Spring Holdco BV (Group BALTISSE)	15,863,049

- The following table shows the level of shareholdership of the CEO and the other members of the Management Committee. It shows that the actual level of shareholdership of the CEO and of the other Members of the Management Committee is higher than the policy requirement.

Level of shareholdership of the management committee members

Shareholdership	NUMBER OF SHARES HELD ON 31 DEC 2022	VALUE OF THE STOCK ON 31ST DEC 2022	TOTAL VALUE OF SHARES HELD	ACTUAL LEVEL OF SHAREHOLDERSHIP (% BASE PAY)	TARGET LEVEL OF SHAREHOLDERSHIP (% BASE PAY)
CEO	292,598	€ 15.54	€ 4,546,973	758%	50%
Other Management Committee Members	85,546	€ 15.54	€ 1,329,385	81% on average	50%

The fulfilment of the shareholding guideline by the CEO and each Other Management Committee Member is determined by comparing the value of the number of shares held on 31st December 2022 to 50% of their annual base pay on 31st December 2022. The value of the shares held is obtained by multiplying the number of shares held on 31st Dec 2022 by the closing price of the stock on that date (€ 15.54).

4.2.3.F Share-based remuneration

The tables below detail the opening and closing balance, as well as movements during the year in terms of share-based remuneration for each of the Management Committee Members. In line with the information presented in previous tables, shares have been valued at fair value at grant and at market value at vesting.

	MAIN CONDITIONS OF THE SHARE OPTION PLANS					INFORMATION REGARDING THE REPORTED FINANCIAL YEAR							
						OPENING BALANCE	DURING THE YEAR					CLOSING BALANCE	
Incumbent Name	SPECIFICATION OF THE PLAN	AWARD DATE	VESTING DATE	EXERCISE PERIOD	STRIKE PRICE OF THE OPTION	SHARE OPTIONS OUTSTANDING AT THE BEGINNING OF THE YEAR	SHARE OPTIONS AWARDED		SHARE OPTIONS VESTED		SHARE OPTIONS EXERCISED	SHARE OPTIONS AWARDED AND UNVESTED	SHARE OPTIONS VESTED BUT UNEXERCISED
							NUMBER	VALUE	NUMBER	VALUE			
Olivier CHAPELLE (Chief Executive Officer)	2016 grant	29/4/2016	1/1/2020	1/1/2020 – 28/4/2025	€ 5.73	565,000						0	45,000
	2017 grant	30/6/2017	1/1/2021	1/1/2021 – 29/6/2024	€ 7.00							0	60,000
	2018 grant	25/4/2018	1/1/2022	1/1/2022 – 24/4/2025	€ 10.21				100,000	€ 731,000		0	100,000
	2019 grant	28/6/2019	1/1/2023	1/1/2023 – 27/6/2026	€ 7.90							120,000	0
	2020 grant	3/3/2020	1/1/2024	1/1/2024 – 2/3/2027	€ 6.70							120,000	0
	2021 grant	12/5/2021	1/1/2025	1/1/2025 – 11/5/2028	€ 12.44							120,000	0
	2022 grant	13/5/2022	1/1/2026	1/1/2026 – 12/5/2029	€ 17.74		120,000	€ 688,920				120,000	0
											Total	**Total**	**205,000**
Ralf BECKER (General Manager Insulation Boards)	2016 grant	29/4/2016	1/1/2020	1/1/2020 – 28/4/2025	€ 5.73	155,000					15,000	0	0
	2017 grant	30/6/2017	1/1/2021	1/1/2021 – 29/6/2024	€ 7.00							0	25,000
	2018 grant	25/4/2018	1/1/2022	1/1/2022 – 24/4/2025	€ 10.21				25,000	€ 182,750		0	25,000
	2019 grant	28/6/2019	1/1/2023	1/1/2023 – 27/6/2026	€ 7.90							30,000	0
	2020 grant	3/3/2020	1/1/2024	1/1/2024 – 2/3/2027	€ 6.70							30,000	0
	2021 grant	12/5/2021	1/1/2025	1/1/2025 – 11/5/2028	€ 12.44							30,000	0
	2022 grant	13/5/2022	1/1/2026	1/1/2026 – 12/5/2029	€ 17.74		30,000	€ 172,230				30,000	0
											Total	**120,000**	**50,000**
Božo ČERNILA (General Manager Insulated Panels) From 29/4/2022.	2022 grant	13/5/2022	1/1/2026	1/1/2026 – 12/5/2029	€ 17.74	0	30,000	€ 172,230				30,000	0
											Total	**30,000**	**0**

Incumbent Name	MAIN CONDITIONS OF THE SHARE OPTION PLANS					INFORMATION REGARDING THE REPORTED FINANCIAL YEAR							
						OPENING BALANCE	DURING THE YEAR					CLOSING BALANCE	
	SPECIFICATION OF THE PLAN	AWARD DATE	VESTING DATE	EXERCISE PERIOD	STRIKE PRICE OF THE OPTION	SHARE OPTIONS OUTSTANDING AT THE BEGINNING OF THE YEAR	SHARE OPTIONS AWARDED		SHARE OPTIONS VESTED		SHARE OPTIONS EXERCISED	SHARE OPTIONS AWARDED AND UNVESTED	SHARE OPTIONS VESTED BUT UNEXERCISED
							NUMBER	VALUE	NUMBER	VALUE			
François DESNÉ (General Manager Engineered Foams) Until 2 September 2022.	2017 grant	30/6/2017	1/1/2021	1/1/2021 – 29/6/2024	€ 7.00	140,000					25,000	0	0
	2018 grant	25/4/2018	1/1/2022	1/1/2022 – 24/4/2025	€ 10.21				25,000	€ 182,750	25,000	0	0
	2019 grant	28/6/2019	1/1/2023	1/1/2023 – 27/6/2026	€ 7.90							30,000	0
	2020 grant	3/3/2020	1/1/2024	1/1/2024 – 2/3/2027	€ 6.70							30,000	0
	2021 grant	12/5/2021	1/1/2025	1/1/2025 – 11/5/2028	€ 12.44							30,000	0
	2022 grant	13/5/2022	1/1/2026	1/1/2026 – 12/5/2029	€ 17.74		0	€ 0				0	0
											Total	**90,000**	**0**
Betty BOGAERT (Chief Information & Digitalisation Officer)	2016 grant	29/4/2016	1/1/2020	1/1/2020 – 28/4/2025	€ 5.73	155,000						0	15,000
	2017 grant	30/6/2017	1/1/2021	1/1/2021 – 29/6/2024	€ 7.00							0	25,000
	2018 grant	25/4/2018	1/1/2022	1/1/2022 – 24/4/2025	€ 10.21				25,000	€ 182,750		0	25,000
	2019 grant	28/6/2019	1/1/2023	1/1/2023 – 27/6/2026	€ 7.90							30,000	0
	2020 grant	3/3/2020	1/1/2024	1/1/2024 – 2/3/2027	€ 6.70							30,000	0
	2021 grant	12/5/2021	1/1/2025	1/1/2025 – 11/5/2028	€ 12.44							30,000	0
	2022 grant	13/5/2022	1/1/2026	1/1/2026 – 12/5/2029	€ 17.74		30,000	€ 172,230				30,000	0
											Total	**120,000**	**65,000**
Jean-Pierre DE KESEL (Chief Sustainable Innovation Officer) Until 31 March 2022.	2017 grant	30/6/2017	1/1/2021	1/1/2021 – 29/6/2024	€ 7.00	140,000					25,000		0
	2018 grant	25/4/2018	1/1/2022	1/1/2022 – 24/4/2025	€ 10.21				25,000	€ 182,750			25,000
	2019 grant	28/6/2019	1/1/2023	1/1/2023 – 27/6/2026	€ 7.90							30,000	
	2020 grant	3/3/2020	1/1/2024	1/1/2024 – 2/3/2027	€ 6.70							30,000	
	2021 grant	12/5/2021	1/1/2025	1/1/2025 – 11/5/2028	€ 12.44							30,000	
	2022 grant	13/5/2022	1/1/2026	1/1/2026 – 12/5/2029	€ 17.74		0	€ 0				0	0
											Total	**90,000**	**25,000**

Incumbent Name	MAIN CONDITIONS OF THE SHARE OPTION PLANS					INFORMATION REGARDING THE REPORTED FINANCIAL YEAR							
						OPENING BALANCE	DURING THE YEAR					CLOSING BALANCE	
	SPECIFICATION OF THE PLAN	AWARD DATE	VESTING DATE	EXERCISE PERIOD	STRIKE PRICE OF THE OPTION	SHARE OPTIONS OUTSTANDING AT THE BEGINNING OF THE YEAR	SHARE OPTIONS AWARDED		SHARE OPTIONS VESTED		SHARE OPTIONS EXERCISED	SHARE OPTIONS AWARDED AND UNVESTED	SHARE OPTIONS VESTED BUT UNEXERCISED
							NUMBER	VALUE	NUMBER	VALUE			
Rob NIJSKENS (Chief Human Resources Officer)	2018 grant	25/4/2018	1/1/2022	1/1/2022 – 24/4/2025	€ 10.21	45,000			5,000	€ 36,550	5,000	0	0
	2019 grant	28/6/2019	1/1/2023	1/1/2023 – 27/6/2026	€ 7.90							5,000	0
	2020 grant	3/3/2020	1/1/2024	1/1/2024 – 2/3/2027	€ 6.70							5,000	0
	2021 grant	12/5/2021	1/1/2025	1/1/2025 – 11/5/2028	€ 12.44							30,000	0
	2022 grant	13/5/2022	1/1/2026	1/1/2026 – 12/5/2029	€ 17.74		30,000	€ 172,230				30,000	0
											Total	**70,000**	**0**
François PETIT (Chief Procurement Officer) Until 31 March 2022.	2016 grant	29/4/2016	1/1/2020	1/1/2020 – 28/4/2025	€ 5.73	120,000					5,000	0	0
	2017 grant	30/6/2017	1/1/2021	1/1/2021 – 29/6/2024	€ 7.00							0	0
	2018 grant	25/4/2018	1/1/2022	1/1/2022 – 24/4/2025	€ 10.21				25,000	€ 182,750	25,000	0	0
	2019 grant	28/6/2019	1/1/2023	1/1/2023 – 27/6/2026	€ 7.90							30,000	0
	2020 grant	3/3/2020	1/1/2024	1/1/2024 – 2/3/2027	€ 6.70							30,000	0
	2021 grant	12/5/2021	1/1/2025	1/1/2025 – 11/5/2028	€ 12.44							30,000	0
	2022 grant	13/5/2022	1/1/2026	1/1/2026 – 12/5/2029	€ 17.74		0	€ 0				0	0
											Total	**90,000**	**0**
Dirk VERBRUGGEN (Chief Financial & Legal Officer)	2016 grant	29/4/2016	1/1/2020	1/1/2020 – 28/4/2025	€ 5.73	155,000						0	15,000
	2017 grant	30/6/2017	1/1/2021	1/1/2021 – 29/6/2024	€ 7.00							0	25,000
	2018 grant	25/4/2018	1/1/2022	1/1/2022 – 24/4/2025	€ 10.21				25,000	€ 182,750		0	25,000
	2019 grant	28/6/2019	1/1/2023	1/1/2023 – 27/6/2026	€ 7.90							30,000	0
	2020 grant	3/3/2020	1/1/2024	1/1/2024 – 2/3/2027	€ 6.70							30,000	0
	2021 grant	12/5/2021	1/1/2025	1/1/2025 – 11/5/2028	€ 12.44							30,000	0
	2022 grant	13/5/2022	1/1/2026	1/1/2026 – 12/5/2029	€ 17.74		30,000	€ 172,230				30,000	0
											Total	**120,000**	**65,000**

4.3.3.3 Termination indemnities

No termination indemnities were due in the course of 2022.

4.3.3.4 Derogations

In accordance with its overarching ESG strategy, Recticel implemented an ESG objective in its Short Term Incentive plan, in addition to the original financial objectives (free cash flow and adjusted EBITDA). The ESG objectives are specific for each division and focus on reducing the level CO_2 emission, increasing the amount of recycled products and improving the overall ESG rating of the company.

4.3.3.5 Annual Change in Remuneration and Pay Ratio

a) Annual Change in Remuneration of Directors versus the Wider Workforce & Company Performance.

The following table displays the variation of the remuneration of the CEO and the other members of the Management Committee between 31st Dec 2019 and 31st Dec 2022 against the evolution of key financial metrics.

Annual change in remuneration

	2020	2021	2022	2021 vs. 2020	2022 vs. 2021
Total remuneration of the CEO (in EUR) [a]	1,216,383	1,507,415	1,633,933	124%	108%
Average total remuneration of the other members of the Management Committee (in EUR) [a]	473,056	589,632	642,020	125%	109%
Average total remuneration of the other employees (in EUR)	57,653	59,876	54,667	104%	91%
Net Cash Flow before dividends (in mio EUR) [b]	197.1	54.9	50.7	28%	92%
Adjusted EBITDA (in mio EUR) [b]	58.8	118.6	62.2	202%	52%
Net Profit (share of the Group, in mio EUR)	63.1	53.5	63.2	85%	118%
Sustainability KPIs			See sections 3 and 4 of the 2022 annual report.		

[a] For comparison purposes, the strategic re-orientation bonus paid to the CEO and another member of the Management Committee in 2022 is not included.

[b] With the foreseen divestment of the Engineered Foams division, as of reporting year 2022, the Net Cash Flow before dividends and the Adjusted EBITDA consist of the Continued Operations only.

b) Pay Ratio

The pay ratio compares the highest remuneration of the Management Committee (that is the remuneration of the CEO) with the lowest Remuneration at Recticel NV. On 31 December 2022, the highest remuneration was 35 times the lowest remuneration; this is a pay ratio of 35:1.

4.2.5 Transactions and other contractual ties between the Company and members of the Board of Directors or members of the Management committee

Chapter VII.1. of the Recticel Corporate Governance Charter describes Company's policy on related party transactions that are not governed by the legal conflict of interest scheme. The application of this policy is explained hereafter.

During the year 2022, two conflicts of interest arose between a director and the company as referred to in article 7:96 of the Belgian Companies and Associations' Code. The procedure of Article 7:97 was not applied in 2022.

Reference is made here to the statutory annual report, which contains an extract of the minutes of the concerned board meetings in this regard.

4.2.6 Insider trading and market manipulation

The company policy regarding the prevention of insider trading and market manipulation is further explained in chapter VII.2 of Recticel's Corporate Governance Charter as well as in the new Dealing Code which has been adopted by the Board of Directors and published on the website of Recticel (www.recticel.com).

These measures include the implementation of restrictions on the execution of transactions (« closed periods ») applicable since 2006.

Mr. Dirk VERBRUGGEN was appointed as Compliance Officer, responsible for monitoring the observance of these regulations.

4.2.7 Diversity policy

Recticel strives to create a community where everyone is included and respected, bringing people together for a better world. We believe that a diverse team improves the quality of decision making, and ultimately improves overall performance.

Recticel has currently not established a formal specific diversity policy, but is an equal employer in all aspects of recruitment and selection, and is committed to a fair and consistent approach to recruitment and selection. Recticel works actively to develop a positive employer image amongst the internal and external stakeholders. Recticel commits to hire all candidates irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation or hours of work.

Recticel also commits to offering learning opportunities to all employees irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation or hours of work.

Currently one woman is represented in the Management Committee. Furthermore, close to one third of the members of the Board of Directors is a woman, in accordance with article 7:86 of the Companies and Associations Code.

The selection process of the members of the Board of Directors is described in the Corporate Governance Charter of Recticel, with the aim to come to a composition that is diverse in all its aspects, both at the level of gender, background, professional experience, competence and education.

Relationships with the reference shareholders, other elements related to possible public takeover bids and others

Here follows the overview of the shareholders who, under the statutes of the law, have addressed a notification to the company and to the FSMA:

Name	DATE OF NOTIFICATION	NUMBER OF SHARES	PERCENTAGE OF SHARES AT THE MOMENT OF NOTIFICATION [a]	PERCENTAGE OF SHARES AT BALANCE SHEET DATE	PERCENTAGE OF VOTING RIGHTS ATTACHED TO SHARES AT BALANCE SHEET DATE [b]
Own shares	13/5/2015	326,800	0.61%	0.58%	0.00%
Spring Holdco BV	12/5/2022	15,262,301	27.20%	27.15%	27.31%
Spring Holdco BV		600,748 [c]		1.07%	1.08%
Total Spring Holdco BV		**15,863,049**		**28,22%**	
Public	**Not applicable**	**40,018,571**		**71.20%**	**71.61%**
Total (excluding own shares)		**55,881,620**			**100.00%**
Total (including own shares)		56,208,420		100.00%	

[a] The percentage of shares is calculated based upon the number of existing shares at the moment of the notification.

[b] The percentage of voting rights is calculated based upon the 56,105,920 existing shares per 12/5/2022 based upon the information the Company has received from its shareholders per 12/5/2022, which can be different from the actual situation. The calculation has been adjusted to take into account the suspension of the voting rights of the 326,800 own shares held by the Company as foreseen by the law.

[c] Number of shares acquired by Spring Holdco BV on 19/10/2022, 12/12/2022 and 16/12/2022. The percentage of voting rights is calculated based upon the 56,208,420 existing shares on these dates.

The company has not concluded a relationship agreement with the main shareholder BALTISSE NV in accordance with principle 8.7 of the Corporate Governance Code 2020, as there is a sufficient line of representation of the main shareholder through its representation within the Board of Directors.

The capital structure, with the number of shares and warrants of the company can be found in the chapter "Information on the Share" on the Recticel website (www.recticel.com).

An amendment of the articles of association of Recticel can only be realised, following the special majorities required by law and by article 37 of the Articles of Association.

The Board of Directors submits its proposals regarding the appointment or re-election of directors to the general meeting of the shareholders. The Remuneration and Nomination Committee recommends one or several candidates to the Board, taking into account the needs of the company and following the appointment procedure and the selection criteria drawn up by the Board for that purpose. The composition of the Board is determined based on the necessary diversity and complementary skills, experience and knowledge.

The general meeting of the shareholders appoints the directors of their choice with a simple majority of the votes cast. Directors can likewise be dismissed "ad nutum" by the general meeting with a majority of the votes cast, before the normal expiry of his or her term of office.

If a position of director becomes vacant as a result of resignation, incapacity or death, the Board may provisionally fill the vacancy, upon recommendation from the Remuneration and Nomination Committee. There are no legal or statutory limitations on transfer of securities. There are no securities with special control rights. There are no legal or statutory restrictions on the exercise of voting rights, for as far as the shareholder is legally represented at the Ordinary General Meeting, and his/her voting rights have not been suspended for any reason.

There are no agreements between the Company and its directors or employees that would provide for compensations after a public takeover bid, the directors resigning or departing without any valid reason, or the employment of the employees being terminated.

The following agreements, whereby the company is party, contain the clauses that take effect, undergo changes or end, in the event of a change of control over Recticel NV:

- The Recticel Stock Option Plans of April 2014, June 2015, April 2016, June 2017, April 2018, June 2019, March 2021, May 2022 (warrant plans April 2014, June 2015, April 2016, June 2017, April 2018, June 2019, March 2021, May 2022) issued by the Board of Directors Administration contain a clause 6.2./5.2 which gives the beneficiaries the right to exercise their warrants, if applicable under the conditions determined by the Board of Directors, immediately in the event of a change of control (that is, in the event of a transfer, in one or more transactions, more than fifty percent (50%) of the voting rights) or in the case of the launch of a public share purchase offer.

These clauses were specifically approved by the Recticel General Shareholders Meeting or will be submitted for approval at the General Meeting on 30 May 2023.

In line with article 7:151 of the Belgian Companies and Associations Code, for such a clause to take effect requires the approval of the General Shareholder meeting.

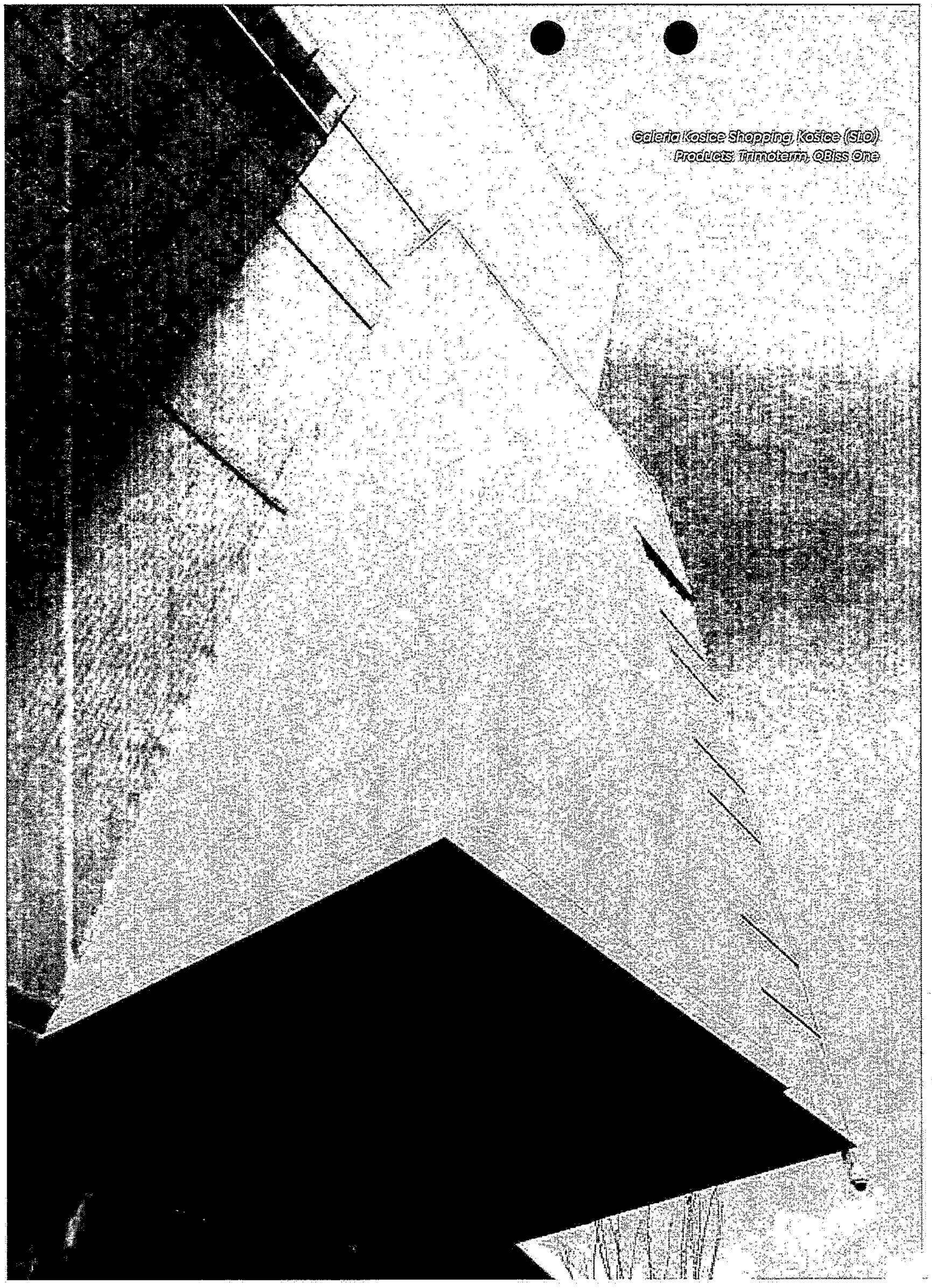
The Board of Directors is not aware of shareholder agreements that give rise to restrictions on the transfer of securities and / or the exercise of voting rights.

By decision of the extraordinary general meeting of the shareholders of 25 May 2021, an authorized capital was created equal to 5% of the issued capital with a validity of five years, allowing the Board of Directors to issue a maximum of 2,791,971 new Recticel shares to be used only in the framework of the subscription rights plans for the leading executives and personnel of Recticel. The Board has used this authorization twice in the framework of the Recticel stock option plan: 475,000 subscription rights were issued in 2021 and 320,000 subscription rights were issued in 2022.

The Board of Directors is authorized to acquire own shares of the Company as long as the fractional value of the Company's shares held in portfolio does not exceed 20% of its issued capital, at a unit price that may not be less than 20%. below the average of the last twenty closing prices on Euronext Brussels prior to the date of acquisition, and not higher than the same average plus 20%. This purchase and sale authorization is valid until 9 July 2025.

Statement on non-financial information

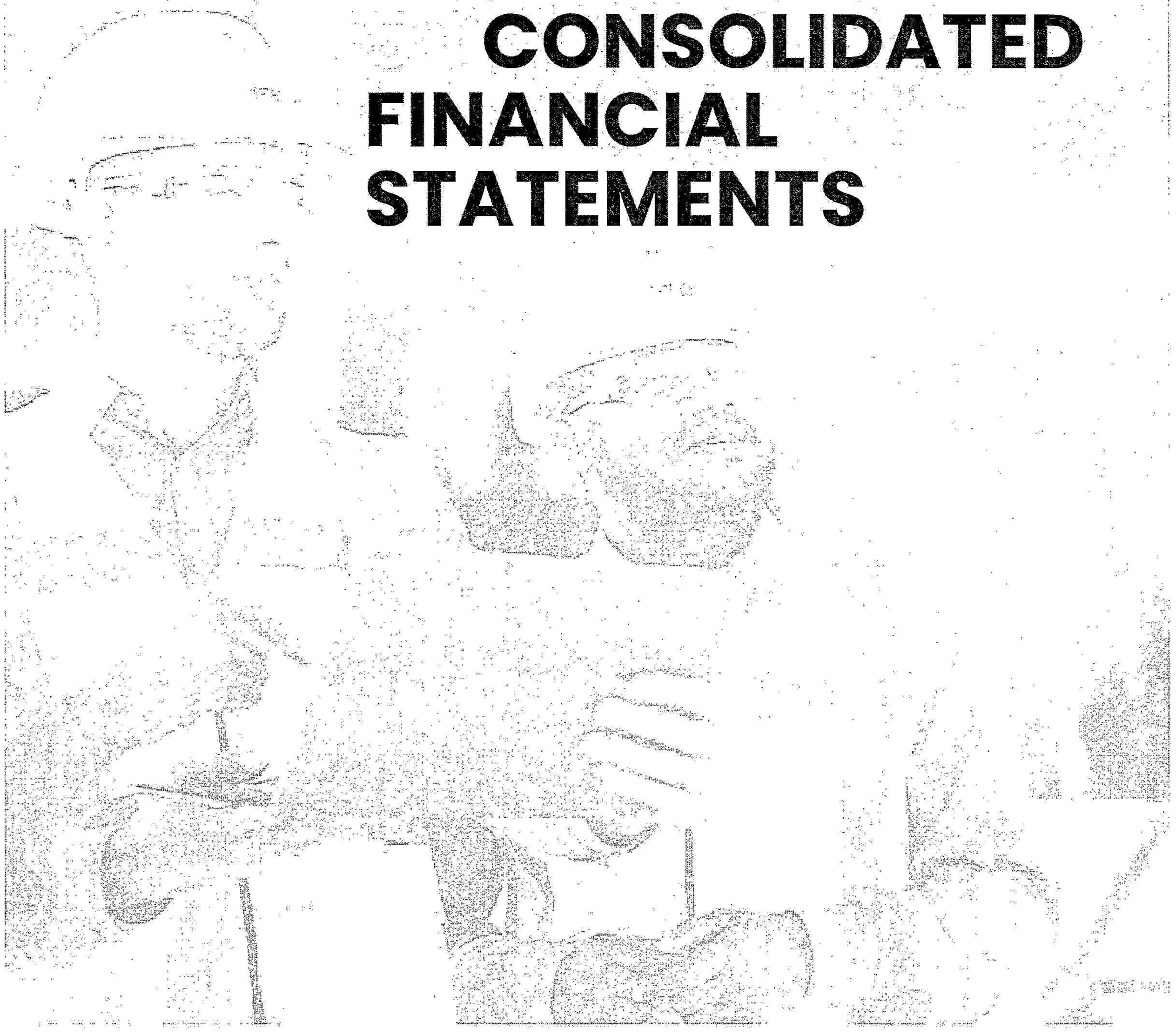
The statement on non-financial information in accordance with article 3:6,§4 of the Belgian Companies and Associations Code has been enclosed to the statutory annual report of Recticel NV.



Galeria Kosice Shopping, Kosice (SLO)
Products: Trimoterm, QBiss One

20240202201964

CONSOLIDATED FINANCIAL STATEMENTS



The consolidated financial statements have been authorised for issue by the Board of Directors on 27 April 2023. They have been prepared in accordance with IFRS accounting policies, details of which are given below.

Consolidated income statement

in thousand EUR

	NOTES*	2021 RESTATED[1]	2022	
Sales	**5.2.3.**	**449,211**	**561,516**	
Cost of sales		(364,267)	(456,767)	
Gross profit	**5.2.4.1.**	**84,945**	**104,750**	
General and administrative expenses	5.2.4.2.	(26,921)	(29,780)	
Sales and marketing expenses	5.2.4.2.	(18,106)	(26,520)	
Research and development expenses	5.2.4.2.	(3,556)	(4,153)	
Impairment of goodwill, intangible and tangible assets	5.2.1.4.	(27)	(1,047)	
Other operating revenues	5.2.4.3.	6,641	1,624	
Other operating expenses	5.2.4.3.	(5,501)	(9,989)	
Income from associates	5.2.5.6.	(0)	0	[2]
Operating profit (loss)	**5.2.4.4.**	**37,475**	**34,886**	
Interest income		973	996	
Interest expenses		(3,983)	(6,173)	
Other financial income		4,788	7,136	
Other financial expenses		(3,633)	(11,835)	
Financial result	**5.2.4.5.**	**(1,855)**	**(9,876)**	
Income from other associates		451	(1,176)	[2]
Impairment other associates				
Change in fair value of option structures		(7,315)	2,330	
Result of the period before taxes		**28,756**	**26,164**	
Income taxes	5.2.4.6.	5,194	(15,408)	
Result of the period after taxes - continuing operations		**33,950**	**10,756**	
Result from discontinued operations	5.2.4.7.	20,391	52,802	
Result of the period after taxes - continuing and discontinued operations		**54,341**	**63,558**	
of which share of the Group		53,522	63,181	
of which non-controlling interests		819	377	

** The accompanying notes are an integral part of this income statement.*

[1] As announced in the press release of 10 August 2022, the Engineered Foams activities which are currently in process of being divested, have been accounted for as Discontinued Operations (IFRS 5). For comparison purposes, the formerly published 2021 income statements and cash flow statements have been restated for the Engineered Foams activities.

As announced in the press release of 15 February 2022, the Bedding activities which have been divested to the Aquinos Group, were already accounted for as Discontinued Operations (IFRS 5) in 2021.

[2] A distinction has been made between Income from associates - included in operating profit (loss) - and Income from other associates - excluded from operating profit (loss).
Income from associates: income from associates considered as being part of the Group's core business are integrated in Operating profit (loss); i.e. Orsafoam but included under discontinued operations as it is part of Recticel Engineered Foams.
Income from other associates: income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss); i.e. Proseat and TEMDA2 (Ascorium, formerly Automotive Interiors).

5.1.2 Earnings per share

in EUR

	NOTES*	2021 RESTATED [1]	2022
Number of shares outstanding (including treasury shares)		55,963,420	56,208,420
Weighted average number of shares outstanding (before dilution effect)		55,519,330	55,799,134
Weighted average number of shares outstanding (after dilution effect)		56,282,863	56,686,814
Earnings per share			
Earnings per share - continuing operations		0.61	0.19
Earnings per shares - discontinued operations		0.37	0.95
Earnings per share of continuing and discontinued operations		**0.98**	**1.14**
Earnings per share from continuing operations			
Earnings per share from continuing operations - Basic	5.2.4.10.	0.61	0.19
Earnings per share from continuing operations - Diluted	5.2.4.11.	0.60	0.19
Earnings per share from discontinued operations			
Earnings per share from discontinued operations - Basic	5.2.4.10.	0.37	0.95
Earnings per share from discontinued operations - Diluted	5.2.4.11.	0.36	0.93
Net book value		**6.99**	**7.95**

The basic earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period.

The diluted earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period, adjusted for dilutive subscription rights.

5.1.3 Consolidated statement of comprehensive income

in thousand EUR

	NOTES*	2021 RESTATED [1]	2022
Result for the period after taxes		**54,341**	**63,558**
Other comprehensive income			
Actuarial gains (losses) on employee benefits recognized in equity		7,352	6,832
Deferred taxes on actuarial gains (losses) on employee benefits		(1,469)	(1,189)
Currency translation differences that will not subsequently be recycled to profit and loss		(273)	92
Share in other comprehensive income in joint ventures & associates that will not subsequently be recycled to profit and loss	5.2.5.6.	0	0
Items that will not subsequently be recycled to profit and loss		**5,610**	**5,735**
Hedging reserves		0	(145)
Currency translation differences that subsequently may be recycled to profit and loss		10,794	(4,954)
Foreign currency translation reserve difference recycled in the income statement		(0)	4,461
Deferred taxes on retained earnings		0	267
Share in other comprehensive income in joint ventures & associates that subsequently may be recycled to profit and loss	5.2.5.6.	0	0
Items that subsequently may be recycled to profit and loss		**10,794**	**(372)**
Other comprehensive income net of tax		**16,404**	**5,363**
Total comprehensive income for the period		**70,745**	**68,921**
Total comprehensive income for the period		**70,745**	**68,921**
Total comprehensive income for the period attributable to the owners of the parent		69,926	68,544
Total comprehensive income for the period attributable to non-controlling interests		819	377
Total comprehensive income for the period attributable to the owners of the parent		**69,926**	**68,544**
Total comprehensive income for the period attributable to the owners of the parent - Continuing operations		35,007	17,670
Total comprehensive income for the period attributable to the owners of the parent - Discontinued operations		34,919	50,874

** The accompanying notes are an integral part of this statement of comprehensive income.*

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Consolidated statement of financial position

in thousand EUR

	NOTES*	31 DEC 2021 (AS PUBLISHED)	31 DEC 2022
Intangible assets	5.2.5.1.	34,945	77,357
Goodwill	5.2.5.2.	13,721	63,218
Property, plant & equipment	5.2.5.3.	313,406	110,653
Right-of-use assets	5.2.5.4.	62,603	25,004
Investment property		7,564	113
Investments in associates	5.2.5.5.	12,709	0
Investments in other associates	5.2.5.6.	10,361	9,520
Non-current receivables	5.2.5.7.	18,730	15,350
Deferred tax assets	5.2.4.6.	46,845	22,786
Non-current assets		**520,884**	**324,001**
Inventories	5.2.5.8.	112,897	54,210
Trade receivables	5.2.5.10.	141,596	64,102
Deferred receivable for share investments/divestment		0	25,286
Other receivables and other financial assets	5.2.5.10.	15,869	9,855
Income tax receivables		4,660	2,190
Cash and cash equivalents	5.2.5.11.	118,367	38,655
Assets classified as held for sale	5.2.4.7.	141,466	557,361
Current assets		**534,855**	**751,658**
TOTAL ASSETS		**1,055,739**	**1,075,659**

in thousand EUR

	NOTES*	31 DEC 2021 (AS PUBLISHED)	31 DEC 2022
Capital	5.2.5.13.	139,909	140,521
Share premium		132,087	133,596
Share capital		**271,996**	**274,117**
Treasury shares		(1,450)	(1,450)
Other reserves		(3,698)	(354)
Retained earnings		112,404	129,444
Hedging and translation reserves		(5,680)	(647)
Elements of comprehensive income of discontinued operations		16,210	43,977
Equity (share of the Group)		**389,782**	**445,086**
Equity attributable to non-controlling interests		1,524	1,850
Total equity		**391,305**	**446,937**
Employee benefit liabilities	5.2.5.14.	39,135	13,207
Provisions	5.2.5.15.	21,993	17,992
Deferred tax liabilities	5.2.4.6.	36,229	21,704
Financial liabilities	5.2.5.16.	208,505	194,383
Other amounts payable		25	1,016
Non-current liabilities		**305,887**	**248,301**
Provisions	5.2.5.15.	3,386	256
Financial liabilities	5.2.5.16.	59,064	93,527
Trade payables	5.2.5.17.	120,247	73,995
Current contract liabilities	5.2.5.9.	9,081	7,587
Income tax payables		4,466	4,444
Deferred payables for share investments		18,749	0
Other amounts payable	5.2.5.17.	66,885	28,901
Liabilities directly associated with assets classified as held for sale	5.2.4.7.	76,668	171,712
Current liabilities		**358,546**	**380,422**
TOTAL EQUITY AND LIABILITIES		**1,055,739**	**1,075,659**

** The accompanying notes are an integral part of this statement of financial position. See also note 5.2.4.7. on Discontinued operations and 5.2.4.8. on Business combinations.*

3.1.3 Consolidated cash flow statement

in thousand EUR

	NOTES*	2021 RESTATED ¹	2022
Operating profit (loss)	**5.2.4.4.**	**37,475**	**34,886**
Amortisation of intangible assets	5.2.5.1.	1,531	5,363
Depreciation of tangible assets	5.2.5.3.	11,024	13,723
(Reversal) Impairment losses on tangible assets	5.2.5.3.	0	1,047
(Write-back)/Write-offs on assets		(701)	1,436
Changes in provisions		(1,319)	2,197
(Gains) / Losses on disposals of intangible and tangible assets		(966)	(597)
Other non-cash elements		(3,448)	982
GROSS OPERATING CASH FLOW BEFORE WORKING CAPITAL MOVEMENTS		**43,597**	**59,036**
Inventories		(11,013)	4,392
Trade and other receivables		18,533	(3,143)
Trade and other payables		7,655	(29,065)
Changes in working capital		**15,174**	**(27,815)**
Trade & Other long term debts maturing within 1 year		18	0
Income taxes paid		(4,366)	(5,499)
Cash flow from operating activities (discontinued operations)		58,350	10,931
NET CASH FLOW FROM OPERATING ACTIVITIES	**(a)**	**112,772**	**36,653**
Interests received		(14)	902
Dividends received		25	33
Disposal of Bedding		0	84,529
Acquisition Trimo, net of cash acquired		0	(154,636)
Increase of loans and receivables		(663)	(881)
Decrease of loans and receivables		320	559
Investments in intangible assets	5.2.5.1.	(821)	(3,177)
Investments in property, plant and equipment	5.2.5.3.	(3,500)	(9,748)
Disposals of intangible assets	5.2.5.1.	(3)	10
Disposals of property, plant and equipment	5.2.5.3.	341	8,105

in thousand EUR

		NOTES*	2021 RESTATED[1]	2022
Disposals of investments held for sale			17	0
Cash flow from divestment (investment) activities (discontinued operations)			(229,251)	(32,948)
NET CASH FLOW FROM DIVESTMENT (INVESTMENT) ACTIVITIES	**(b)**		**(233,548)**	**(107,252)**
Interests paid on financial debt	(c)		(3,271)	(4,190)
Interests paid on lease debt	(c)		(116)	(69)
Dividends paid			(14,451)	(16,229)
Increase (Decrease) of capital			1,372	2,121
Increase of financial debt			201,507	93,387
Decrease of financial debt				(41,916)
Decrease of lease debt	(d)		(7,362)	(5,129)
Cash flow from financing activities (discontinued operations)			(13,919)	(11,901)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(e)**		**163,760**	**16,075**
Effect of exchange rate changes	(f)		1,262	(6,058)
Effect of exchange rate changes (discontinued operations)	(f)		2,219	76
CHANGES IN CASH AND CASH EQUIVALENTS	**(a)+(b)+(e)+(f)**		**46,464**	**(60,506)**
NET FREE CASH FLOW	**(a)+(b)+(c)+(d)**		**(131,524)**	**(79,985)**

in thousand EUR

		NOTES*	2021 RESTATED	2022
Net cash position opening balance (continuing operations)			76,790	84,055
Net cash position opening balance (discontinued operations)			2,465	41,664
Net cash position opening balance	**(g)**		**79,255**	**125,719**
Net cash position closing balance (continuing operations)			84,055	38,655
Net cash position closing balance (discontinued operations)			41,664	26,558
Net cash position closing balance	**(h)**		**125,719**	**65,213**
CHANGES IN CASH AND CASH EQUIVALENTS	**(h) - (g)**		**46,464**	**(60,506)**

** The accompanying notes are an integral part of this cash flow statement.*

Changes in financial liabilities

For the year ending 31 December 2022

in thousand EUR

	31 DEC 2021	CASH FLOWS IN 2022	NON-CASH CHANGES										31 DEC 2022
			NEW LEASES	REASSESSMENT IFRS 16	INTERESTS ACCRUED	FAIR VALUE OF HEDGING INSTRUMENTS	ACTUALISATION	AMORTISATION	TRANSFER	EXCHANGE DIFFERENCES	TRANSFER TO HELD FOR SALE	CHANGE IN SCOPE	
Long term borrowings	**164,783**	15,851	0	0	0	0	0	998	(0)	0	0	0	**181,631**
Short term borrowings	**51,684**	45,064	0	0	3	0	0	0	62	1,818	(9,686)	1	**88,945**
Lease liabilities	**50,415**	(10,901)	2,718	(385)	717	0	98	0	478	112	(28,263)	1,308	**16,299**
Accrued interest liabilities	**688**	(4,456)	0	0	4,745	(9)	0	0	(11)	101	(24)	0	**1,035**
Total liabilities from financing activities	**267,570**	**45,558**	**2,718**	**(385)**	**5,465**	**(9)**	**98**	**998**	**529**	**2,031**	**(37,973)**	**1,309**	**287,910**

Change in scope relates to the business combination Trimo.
Transfer to held sale relates to the discontinued operations of Recticel Engineered Foams.
See also note 5.2.5.16. – Financial liabilities and note 5.2.5.4. – Right-of-use assets.

For the year ending 31 December 2021

in thousand EUR

	31 DEC 2020	CASH FLOWS IN 2021	NON-CASH CHANGES										31 DEC 2021
			NEW LEASES	REASSESSMENT IFRS 16	INTERESTS ACCRUED	FAIR VALUE OF HEDGING INSTRUMENTS	ACTUALISATION	AMORTISATION	TRANSFER	EXCHANGE DIFFERENCES	TRANSFER TO HELD FOR SALE	CHANGE IN SCOPE	
Long term borrowings	**14,701**	143,756	0	0	0	0	59	877	(620)	196	(1,958)	7,773	**164,783**
Short term borrowings	**2,708**	(13,481)	0	0	35	0	(0)	0	(246)	(13)	(252)	62,933	**51,683**
Lease liabilities	**66,868**	(19,114)	3,652	5,671	2,155	0	107	0	(1)	1,217	(17,544)	7,404	**50,415**
Accrued interest liabilities	**553**	(3,925)	0	0	3,691	(59)	0	0	(63)	227	(3)	267	**689**
Total liabilities from financing activities	**84,830**	**107,237**	**3,652**	**5,671**	**5,881**	**(59)**	**166**	**877**	**(931)**	**1,626**	**(19,757)**	**78,377**	**267,570**

Change in scope relates to FoamPartner (Engineered Foams).
Transfer to held sale relates to the discontinued operations of Bedding.
See also note 5.2.5.16. – Financial liabilities and note 5.2.5.4. – Right-of-use assets.

Statement of changes in shareholders' equity

For the year ending 31 December 2022

in thousand EUR

2022	CAPITAL	SHARE PREMIUM	TREASURY SHARES	OTHER RESERVES	RETAINED EARNINGS	TRANSLATION DIFFERENCES AND HEDGING RESERVES	CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	TOTAL SHAREHOLDERS' EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Equity at the beginning of the period	**139,909**	**132,087**	**(1,450)**	**(3,698)**	**112,404**	**(5,680)**	**373,572**	**16,209**	**389,782**	**1,524**	**391,305**
Dividends	0	0	0	0	(16,195)	0	(16,195)	0	(16,195)		(16,195)
Stock options (IFRS 2)	0	0	0	981	(145)	0	836	0	836		836
Capital movements[1]	612	1,509	0	0	0	0	2,121	0	2,121		2,121
Shareholders' movements	**612**	**1,509**	**0**	**981**	**(16,340)**	**0**	**(13,238)**	**0**	**(13,238)**	**0**	**(13,238)**
Profit or loss of the period	**0**	**0**	**0**	**0**	**11,310**	**0**	**11,310**	**51,871**	**63,181**	**377**	**63,558**
Other comprehensive income	0	0	0	1,794	333	5,033	7,160	(1,796)	5,363	0	5,363
Total comprehensive income	**0**	**0**	**0**	**1,794**	**11,643**	**5,033**	**18,470**	**50,074**	**68,544**	**377**	**68,921**
Changes in scope	0	0	0	569	21,737	0	22,306	(22,307)	(1)	(51)	(52)
Equity at the end of the period	**140,521**	**133,596**	**(1,450)**	**(354)**	**129,444**	**(647)**	**401,110**	**43,977**	**445,086**	**1,850**	**446,937**

[1] *see note 5.2.5.13.*

Other reserves, retained earnings, translation differences and hedging reserves have been restated between continued and discontinued due to the application of IFRS5 for the Bedding and Recticel Engineered Foams activities.

The item "Changes in scope" of Discontinued operations relate to the divestment of the Bedding activities.

For the year ending 31 December 2021

in thousand EUR

2021	CAPITAL	SHARE PREMIUM	TREASURY SHARES	OTHER RESERVES	RETAINED EARNINGS	TRANSLATION DIFFERENCES AND HEDGING RESERVES	CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	TOTAL SHAREHOLDERS' EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Equity at the beginning of the period	**139,358**	**131,267**	**(1,450)**	**(6,349)**	**92,734**	**(6,107)**	**349,452**	**(15,381)**	**334,071**	**705**	**334,776**
Restatement IFRS 16 *	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(1,906)**	**(1,906)**	**0**	**(1,906)**
Dividends	0	0	0	0	(14,467)	0	(14,467)	0	(14,467)		(14,467)
Stock options (IFRS 2)	0	0	0	786	0	0	786	0	786		786
Capital movements[1]	552	820	0	0	0	0	1,372	0	1,372		1,372
Shareholders' movements	**552**	**820**	**0**	**786**	**(14,467)**	**0**	**(12,310)**	**0**	**(12,310)**	**0**	**(12,310)**
Profit or loss of the period	**0**	**0**	**0**	**0**	**34,531**	**0**	**34,531**	**18,991**	**53,522**	**819**	**54,341**
Other comprehensive income	0	0	0	1,748	(277)	427	1,898	14,505	16,404	0	16,404
Total comprehensive income	**0**	**0**	**0**	**1,748**	**34,254**	**427**	**36,430**	**33,496**	**69,926**	**819**	**70,745**
Changes in scope	0	0	0	117	(117)	0	0	0	0	0	0
Equity at the end of the period	**139,909**	**132,087**	**(1,450)**	**(3,698)**	**112,404**	**(5,680)**	**373,572**	**16,209**	**389,782**	**1,524**	**391,305**

[1] see note 5.2.5.13.

** Restatement IFRS16: Adjustment for reassessment of assumptions on dismantling and restoration costs.*

Other reserves, retained earnings, translation differences and hedging reserves have been restated between continued and discontinued due to the application of IFRS5 for the Bedding and Recticel Engineered Foams activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2022

5.2.1 Summary of significant accounting policies

5.2.1.1 Statement of compliance - basis of preparation

Recticel NV/SA (the "Company") is a public limited liability company incorporated in Belgium and listed on Euronext Brussels. The Company's consolidated financial statements include the financial statements of the Company, its subsidiaries, interests in jointly controlled entities (joint ventures) and in associates, both accounted for under the equity method (together referred to as "the Group").

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

The accounting standards applied in the consolidated financial statements for the year ended 31 December 2022 are consistent with those used to prepare the consolidated financial statements for the year ended 31 December 2021, except for changes in accounting policies mentioned in the note here below.

5.2.1.2 Changes in accounting policies and disclosures

Endorsement status of the new standards as at 31 December 2022 (EFRAG status report 10 November 2022)

The following **amendments** to standards **are mandatory** for the first time for the financial year beginning 1 January 2022 and **have been endorsed by the European Union:**

- **Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (effective 1 January 2022).** The package of amendments includes narrow-scope amendments to three Standards as well as the Board's Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards.

  - **Amendments to IFRS 3 Business Combinations** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

  - **Amendments to IAS 16 Property, Plant and Equipment** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

  - **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets** specify which costs a company includes when assessing whether a contract will be loss-making.

  - **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

- **Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions beyond 30 June 2021 (effective 01/04/2021),** with early application permitted). The amendments extend, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. In particular, the amendment permits a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021). The amendment is effective for annual reporting periods beginning on or after 1 April 2021 (earlier application permitted, including in financial statements not yet authorised for issue at the date the amendment is issued).

The following **new standard and amendments** have been issued, **are not mandatory** for the first time for the financial year beginning 1 January 2022 but have **been endorsed by the European Union:**

- **IFRS 17 'Insurance contracts' (effective 1 January 2023).** This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. On 17 March 2020, IASB decided to defer pop effective date to annual reporting periods beginning on or after 1 January 2023. The endorsement includes the amendments issued by the Board in June 2020, which are aimed at helping companies implement the Standard and making it easier for them to explain their financial performance.

  The EU regulation provides an optional exemption from applying the annual cohort requirement that relates to the timing of the recognition of the profit in the contract, the contractual service margin, in profit or loss. Entities making use of the exemption are not applying IFRSs as issued by the IASB and need to disclose the fact.

- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023).** The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The IAS 1 amendment requires companies to disclose their material accounting policy information rather than their significant accounting policies. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).
- **Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023).** The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).
- **Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023).** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change in the amendments is an exemption from the initial recognition exemption of IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.
- **Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective 1 January 2023).** The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

The following **amendments** have been issued, but are **not mandatory** for the first time for the financial year beginning 1 January 2022 and have **not been endorsed by the European Union:**

- **Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current' (effective 01/01/2024),** affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

- Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
- Clarify how conditions with which an entity must comply within 12 months after the reporting period, such as covenants, affect the corresponding liability's classification.

- **Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective 1 January 2024).** The amendments explain how an entity accounts for a sale and leaseback after the date of the transaction, specifically where some or all the lease payments are variable lease payments that do not depend on an index or rate. They state that, in subsequently measuring the lease liability, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains. Any gains and losses relating to the full or partial termination of a lease continue to be recognised when they occur as these relate to the right of use terminated and not the right of use retained.

The following **standard** is mandatory since the financial year beginning 1 January 2016 (however not yet subjected to EU endorsement). The European Commission has decided not to launch the endorsement process of this interim standard but to wait for the final standard:

- **IFRS 14, 'Regulatory deferral accounts' (effective 1 January 2016).** It concerns an interim standard on the accounting for certain balances that arise from rate–regulated activities. IFRS 14 is only applicable to entities that apply IFRS 1 as first-time adopters of IFRS. It permits such entities, on adoption of IFRS, to continue to apply their previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The interim standard also provides guidance on selecting and changing accounting policies (on first–time adoption or subsequently) and on presentation and disclosure.

General principles

Currency of accounts
The financial statements are presented in thousand euro (EUR) (unless specified otherwise), which is the currency of the primary economic environment in which the Group operates. The financial statements of foreign operations are translated in accordance with the policies set out below under 'Foreign Currencies'.

Historical cost convention
The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below. Investments in equity instruments which are not quoted in an active market and whose fair value cannot be reliably measured by alternative valuation methods are carried at cost.

Foreign currencies
Foreign currency transactions - Transactions in currencies other than EUR are accounted for at the exchange rates prevailing at the date of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at closing rate. Non-monetary assets and liabilities carried at fair value and denominated in foreign currencies are translated at the exchange rates prevailing at the date the fair value was determined. Gains and losses resulting from such translations are recognised in the financial result of the income statement.

Translation from functional currency to the presentation currency - For purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at closing rate. Income and expenses are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Resulting exchange differences are recognised in other comprehensive income and accumulated in equity (attributable to non-controlling interests as appropriate). On disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), exchange differences accumulated in equity are recognised in the income statement.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributable to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities (joint ventures) that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Consolidation principles
Consolidated financial statements include subsidiaries and interests in jointly controlled entities (joint ventures) and associates accounted for under the equity method. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group transactions, balances, income and expenses are eliminated in consolidation.

- *Subsidiaries*

Subsidiaries are entities that are controlled directly or indirectly. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Consolidation of subsidiaries starts from the date Recticel controls the entity until the date such control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

However, when the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

- *Joint Ventures and Associates*

  The results and assets and liabilities of joint ventures and associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in a joint venture and an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the venture and the associate. When the Group's share of losses of a venture and an associate exceeds the Group's interest in that joint venture and associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture and associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture and associate.

  Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of a joint venture and an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

  IAS 28.28 only permits recognition of the gain or loss from downstream transactions "to the extent of unrelated investors' interests in the associate or joint venture". However, the standard does not specifically address the treatment of revenue derived from transactions with equity-method investees (i.e. revenue from the sale of goods, or interest revenue) and whether that revenue should be eliminated from the consolidated financial statements.

  In respect of the treatment of revenues derived from transactions with joint ventures and associates (i.e. sales services, interest revenue, ...), the Group has opted not to eliminate its interest in these transactions. As a matter of example, Recticel receives EUR 100 interest income on a loan provided to a 50/50 joint venture. Under the accounting policy adopted by Recticel this interest income would be accounted for as EUR 100 interest income of the Group. The cost incurred by the joint venture would be accounted for on a proportional (50%) basis through "results in joint ventures and associates" without making any adjustment for the proportional interest held by Recticel.

  The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture and an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of fair value and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

  Upon disposal of a joint venture and an associate that results in the Group losing significant influence over that joint venture and associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IFRS 9. The difference between the previous carrying amount of the joint venture and associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the joint venture and associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture and associate on the same basis as would be required if that joint venture and associate had directly disposed of the related assets or liabilities.

  Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture and associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that joint venture and associate.

  Investments accounted for using the equity method are currently only consisting of associates. In the income statement, the results from associates are split between 'Associates' and 'Other associates'. As such, 'Associates' are considered as being part of the Group's core business and are integrated in Operating profit (loss); i.e. currently Orsafoam; whereas 'Other associates' are not considered as being part of the Group's core business and are not integrated in Operating profit (loss); i.e. Proseat and TEMDA2 (Automotive Interiors).

- *Discontinued operations*

  A discontinued operation is a component of the group that either has been disposed of or is classified as held for sale and represents a business line for which there is a plan to dispose of. Recticel classifies a non-current

asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use if all of the conditions of IFRS 5 are met. A disposal group is defined as a group of assets to be disposed of and liabilities directly associated with those assets that will be transferred. Immediately before classification as held for sale, the company measures the carrying amount of the asset (or all the assets and liabilities in the disposal group) in accordance with applicable IFRS. On initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement. Non-current assets classified as held for sale are no longer depreciated or amortized.

- *Business combinations*

Acquisitions of businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

When Recticel acquires an entity or business, the identifiable assets and liabilities of the acquiree are recognised at their fair value at acquisition date, except for:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Where such a difference is negative, the excess is, after a reassessment of the values, recognised as income immediately as a bargain purchase gain.

Non-controlling interests (minority shareholders) that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

If Recticel increases its interest in an entity or business over which it did not yet exercise control (in principle increasing its interest up to and including 50% to 51% or more) (a business combination achieved in stages), the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (maximum one year after acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.
An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

After initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Goodwill
Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.
Goodwill is reviewed for impairment at least annually.

Any impairment loss is recognised immediately in the income statement and is not subsequently reversed.

On disposal of a subsidiary, associate or jointly controlled entity, the related goodwill is included in the determination of the profit or loss on disposal.

Property, plant and equipment
An item of property, plant and equipment is recognised if it is probable that associated future economic benefits will flow to the Group and if its cost can be measured reliably. After initial recognition, all items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, except for land which is not depreciated. Cost includes all direct costs and all expenditure incurred to bring the asset to its working condition and location for its intended use.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent expenditure related to an item of property, plant and equipment is expensed as incurred.

Depreciation is provided over the estimated useful lives of the various classes of property, plant and equipment using the straight-line method.

Depreciation starts when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
Project-related assets are depreciated over the production period of the project. In case of reallocation of fully depreciated assets, the latter might require a reconditioning. These reconditioning costs are amortised over the term of the new project, without additional revaluation or reversal of any impairments.

The estimated useful lives of the most significant items of property, plant and equipment are within the following ranges:

Land improvements:	25 years
Offices:	25 to 40 years
Industrial buildings:	25 years
Plants:	10 to 15 years
Machinery	
Heavy:	11 to 15 years
Medium:	8 to 10 years
Light:	5 to 7 years
Pre-operating costs:	4 years
Equipment:	5 to 10 years
Furniture:	5 to 10 years
Hardware:	3 to 10 years
Vehicle fleet	
Cars:	4 years
Trucks:	7 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Leases

The Group has several leases for properties, machinery and equipment and cars and the rental contracts are typically closed for a fixed period. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and corresponding liability at the date of commencement of the lease, i.e. when the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis if the lease does not include a purchase option. If a purchase option is available and the Group judges that it is reasonably certain to be exercised, the right-of-use asset is depreciated over its useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate; and
- purchase option, if any - if the lessee is reasonably certain to exercise that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs (except for the leases already existing at transition date), and
- dismantling costs.

Right-of-use assets are presented separately and lease liabilities as part of financial liabilities in the statement of financial position. All lease payments that are due within 12 months are classified as current liabilities. All lease payments that are due at least 12 months after the reporting date are classified as non-current liabilities.

Lease payments related to short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly IT-equipment (laptops, tablets, mobile phones, pc's) and small items of office equipment and furniture.

Some leases contain variable lease payments. Payments that vary due to the use of the underlying asset are variable lease payments (e.g. lease of property based on the number of square meters used). These variable lease payments are recognised as expense as incurred.

There are no material lease agreements whereby the Group is lessor; except for one building rented to the Eurofoam group.

Impairment of tangible and intangible assets

Except for goodwill and intangible assets with an indefinite useful life which are tested for impairment at least annually, other tangible and intangible fixed assets are reviewed for impairment when there is an indication that their carrying amount will not be recoverable through use or sale. If an asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell or value-in-use and the carrying amount. In assessing the fair value or value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in previous years. However, impairment losses on goodwill are never reversed.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Financial assets

Financial assets are recognised or derecognised on the trade date which is the date the Group undertakes to purchase or sell the asset. Financial assets are initially measured at fair value, except for trade receivables. Trade receivables are measures at their transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets are added to the fair value of the financial assets on initial recognition, except for financial assets at fair value through profit or loss, where the transaction costs are recognised immediately in profit or loss.

After initial recognition, financial assets are measured at either amortised cost or fair value, based on the classification of the financial assets.

- *Classification of financial assets*
  The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

  Debt instruments (such as loans, trade and other receivables, cash and cash equivalents) are subsequently measured at amortised cost using the effective interest method, less any impairment if they are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and margin points paid or received) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

  Financial investments (equity investments) are normally measured in the consolidated statement of financial position at fair value through profit or loss. However, the Company can make an irrevocable election at initial recognition to measure the investment at fair value through other comprehensive income ("FVTOCI"), with dividend income recognised in profit or loss. Equity investments in non-listed companies are designated as financial assets at FVTOCI.

- *Impairment of financial assets*
  IFRS 9 requires a forward-looking expected credit loss ("ECL") approach to assess impairments of financial assets. As such, the Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

  IFRS 9 provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables without a significant financing component (short-term trade receivables). These credit losses are the expected credit losses that result from all possible default events over the expected life of those trade receivables, using a provision matrix that considers historical information on defaults adjusted for forward-looking information.

  For long-term loans to related parties the general impairment assessment model is applied. IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit loss.

  Management has concluded that it would require undue cost and effort to determine the credit risk of each loan on their respective dates of initial recognition. Accordingly, the Group recognises lifetime expected credit losses for these loans until they are derecognised.

  IFRS 9 applies the same measurement approach to loan commitments and financial guarantee contracts (other than measured at fair value through profit or loss).

- *Derecognition of financial assets*

  The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

  On the entire derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in profit or loss.

On the partial derecognition of a financial asset other than its entirety (i.e. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.
The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Financial liabilities and equity instruments

An instrument is classified as a financial liability or as an equity instrument according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

Financial liabilities

Financial liabilities (including interest-bearing borrowings and trade payables) are initially measured at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Subsequently, they are measured at amortised cost, except for derivative instruments.

- *Interest-bearing borrowings and payables*

Interest-bearing borrowings are recorded at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value (including premiums payable on settlement or redemption) is recognised in the income statement over the period of the borrowing.

Trade payables which are not interest-bearing are stated at cost, being the fair value of the consideration to be paid.

- *Derivative financial instruments*

Derivative instruments with a negative fair value are classified at fair value through profit and loss ("FVTPL"), unless they are designated and effective as hedges.

Hedge accounting

The Group may designate certain derivatives, in respect of interest rate risk and foreign exchange rate risk, as hedging instruments in a cash flow hedge relationship.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

- *Cash flow hedges*

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or a forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

- *Net investment hedge*

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency reserve. The gain or loss to the ineffective portion is recognised immediately in profit and loss.

- *Fair value hedges*

A derivative instrument is recognised as fair value hedge when it hedges the exposure to variation of the fair value of the recognised assets or liabilities. Derivatives classified as a fair value hedge and the hedged assets or liabilities are carried at fair value. The corresponding changes of the fair value are recognised in the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

Employee benefit liabilities

- *Post-employment benefits*

In accordance with the laws and practices of each country, the affiliated companies of the Group operate defined benefit and defined contribution retirement benefit plans. It is Group policy to operate defined contribution plans for newly-hired employees where this is possible and appropriate.

Contributions payable to defined contribution plans are recognised as an expense in the period in which the related employees' service is rendered.

For defined benefit plans, the amount recognised in the statement of financial position is the present value of the defined benefit obligation less the fair value of any plan assets.

If the amount to be recognised in the statement of financial position is an asset, the asset recognised is restricted to the asset ceiling, which is defined as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

For funded plans subject to a minimum funding requirement, where contributions payable to cover an existing shortfall on the minimum funding basis in respect of service already received are not available as a refund or reduction in future contributions after they are paid into the plan, an additional liability is recognised, where necessary, in accordance with IFRIC 14.

In the income statement, current and past service costs (including curtailments), settlement costs and administration expenses are charged in "other operating revenues & expenses", while the net interest cost is booked in "other financial income & expenses".

The present value of the defined benefit obligation and the related current and past service costs are calculated by qualified actuaries using the projected unit credit method. The discount rate is based on the prevailing yields of high-quality corporate bonds with a currency and term consistent with the currency and term of the benefit obligations. For currencies for which there is no deep market in such bonds, government bonds are taken into account. No provisions for death in service is included in the defined-benefit obligations as it is fully insured, and the Group has no intention not to continue this insurance policy.

As there is no market price available for group insurance contracts, the fair value of such contracts is estimated by discounting the expected future cash flows (i.e. the amounts guaranteed by the insurer) using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets. The risk associated with these assets is based on the market situation at the reporting date.

Remeasurements include:

- actuarial gains and losses resulting from differences between previous actuarial assumptions and actual experience, and from changes in actuarial assumptions;
- the return on plan assets; and
- any changes in the effect of the asset ceiling or additional liability recognised under IFRIC 14, excluding amounts included in net interest.

Such remeasurements are recognised in other comprehensive income. Past service costs, arising from plan amendments, are recognised immediately as an expense.

Defined contribution pension plans in Belgium and Switzerland are 'hybrid' pension plans that qualify as defined benefit plans for IFRS purposes, because they are by law subject to minimum guaranteed rates of return and have to guarantee minimum annuity conversion rates. There is therefore a risk that the Company may have to pay additional contributions related to past service. Any such additional contributions will depend on the actual investment returns and the future evolution of the minimum guarantees.

- *Termination benefits*

A liability and expense for termination benefits is recognised at the earlier of (a) the date when the offer of those benefits can no longer be withdrawn, and (b) the date when costs are recognised for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a Black & Scholes model. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in note 5.2.6.2.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that eventually will be vested.

The above policy is applied to all equity-settled share-based payments that were granted after 7 November 2002 and that vested after 01 January 2005. No amount has been recognised in the financial statements in respect of the other equity-settled shared-based payments.

Provisions

- *General*

Provisions are recognised when (i) the Group has a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that the Group will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties

surrounding the obligation. Where the effect of the time value of money is material, the amount is the present value of expenditures required to settle the obligation. Impacts of changes in discount rates are generally recognised in the financial result.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received if the Group settles the obligation.

- *Onerous contracts*

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Present obligations arising from onerous contracts are recognised and measured as provisions.

- *Restructurings*

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has, by starting to implement the plan or announcing its main features to those affected by it, raised a valid expectation with those affected that it will carry out the restructuring. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

- *Environmental liabilities*

Recticel analyses twice a year all its environmental risks and the corresponding provisions. The Group measures these provisions to the best of its knowledge of applicable regulations, the nature and extent of the pollution, clean-up techniques, and other available information.

Revenue recognition

IFRS 15 establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer. Applying IFRS 15, an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Customers obtain control of products when the goods are delivered to and have been accepted at their premises. Invoices are generated and revenue is recognised at that point in time.

To recognise revenue, IFRS 15 applies a "five steps" model:

- identify the contract(s) with a customer.
- identify the performance obligations in the contract.
- determine the transaction price.
- allocate the transaction price to each performance obligation.
- recognise revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service).

- *Transaction price*

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.
The most common types of variable consideration that can be identified are:

- Volume discounts (Engineered Foams, Bedding, Insulation)
- Year-end rebates (Engineered Foams, Bedding, Insulation)
- Adjustments to cope with changes in raw material prices on a prospective basis (Engineered Foams).

It is not unusual to agree on yearly supply agreements with the customer which fixes the selling prices of the goods for the relevant year. These agreements do not include any commitments to volumes made by the customer. The amount of revenue recognised is adjusted for expected rebates and discounts. A contract liability is being recognised upon selling the goods to the customer and released when the credit note is issued.

If a credit note is issued to the customer to compensate for quality claims, this shall be recognised as a reduction of the revenues.

The most common types of considerations paid to the customer (in bedding and insulation) relate to:

- Participation to flyers
- Participation to advertising campaigns
- Promotional in-store activities

The considerations paid to participate in the customer's flyers shall be deducted from revenue as the services provided by the customer to the Group can generally not be considered as being distinct.

Interest income & expenses

Interest income/expenses is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts/ outflows throughout the expected life of the financial asset/liability to that asset/liability's net carrying amount.

Dividend income
Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Government grants
Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants relating to staff training costs are recognised as income over the periods required to match them with the related costs and are deducted from the related expense.

Government grants relating to property, plant & equipment are treated by deducting the received grants from the carrying amount of the related assets. These grants are recognised as income over the useful life of the depreciable assets.

Income taxes
The tax expense represents the sum of the current tax expense and deferred tax expense.

The current tax expense is based on the taxable profit for the year. The taxable profit differs from the result of the period before taxes as reported in the income statement because it excludes items of income or expenditure that are taxable or deductible in other years and items that will never become taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and when it is probable that the temporary difference will not reverse in the foreseeable future. No deferred tax liabilities have been recognised on undistributed retained earnings of subsidiaries, associates and joint ventures, as the impact is not material.

The carrying amount of deferred tax assets is reviewed at least at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2.2.5 Major sources of estimation uncertainty and key judgments

No key judgements were made in the preparation of the financials and there were no major sources of estimation uncertainty. All other items noted below are related to normal judgements and estimates.
Drawing up the annual accounts in accordance with IFRS requires management to make the necessary judgments, estimates and assumptions. The management bases its estimates and assumptions on past experience and other reasonable assessment criteria. These are reviewed periodically, and the effects of such reviews are taken into account in the annual accounts of the period concerned. Future events which may have a financial impact on the Group are also included in this.

The estimated results of such possible future events may consequently diverge from the actual impact on results. Judgments and estimates were made, inter alia, regarding:

- impairments of goodwill, intangible assets, property, plant and equipment and right-of-use assets;
- determination of loss allowances for expected credit losses;
- determination of write-downs on inventories;
- determination of provisions for restructurings;
- determination of provisions for onerous contracts;
- determination of provisions for contingent liabilities, litigations and other exposures;
- valuation of post-employment defined benefit obligations, other long-term employee benefits and termination benefits;
- the recoverability of deferred tax assets;
- the assessment of the lease term is used as judgement within IFRS 16;
- business combinations including fair value accounting and goodwill determination.

It is not excluded that future revisions of such estimates and judgments could trigger an adjustment in the value of the assets and liabilities in future financial years.

Impairments on goodwill, intangible assets and property, plant and equipment and right-of-use assets
For amortizable long-term assets, an impairment assessment will in first place be made at the level of the individual asset. Only when it is not possible to estimate a recoverable value on an individual level, the evaluation will be made at the level of the cash generating unit (hereafter "CGU") to which the asset belongs. For amortizable long-term assets, an impairment analysis should be performed in case of impairment indicators. If such indicators exist, an impairment analysis shall be performed at the CGU level.

For **goodwill** (and other not depreciated long term assets) an impairment test is performed at least annually. The carrying amount can be allocated on a reasonable and consistent basis. The allocation of goodwill to a CGU or a group of CGUs also takes account of the synergies of the business combination expected by the decision maker. Goodwill can be allocated for impairment testing to a group of CGUs, if the chief operating decision maker considers this as the most appropriate allocation. There is a link between the level at which goodwill is tested for impairment and the level of internal reporting that reflects the way the entity manages its operations and with which the goodwill is associated (as such it cannot exceed the level of the reported segments as defined by IFRS 8).

The CGU level is defined following the market and production capacities. This approach leads to the determination of four CGUs in Insulation:

- CGU "United Kingdom"
- CGU "Continental Europe"
- CGU "Scandinavia"
- CGU "Trimo"

An impairment analysis was performed for the following CGU:

- CGU "Trimo"

considering the majority of the Recticel goodwill is allocated to them not withstanding that the CGU was only acquired in 2022.

For the other CGUs, the amount of goodwill is immaterial compared to the total amount of goodwill and hence do not necessitate further impairment testing.

The majority of the net book value of total goodwill was subject to impairment testing, and is composed as follows:

in thousand EUR

	TRIMO	OTHER	TOTAL
Goodwill	60,091	3,127	63,218
Other intangible assets	72,843	4,514	77,357
Property, plant & equipment	34,873	69,269	104,142
Assets under construction	0	6,511	6,511
Right-of-use assets	365	24,640	25,004
Total net book value	**168,172**	**108,061**	**276,232**
of which impairments recognized during the period	0	0	0

For **2022**:
Impairment charges are not linked to the general impairment analysis but relate mainly to an impairment on right of use assets following the expected reduced usage of the IHQ building following the anticipated divestment of Engineered Foams.

For the impairment test of the items included in the table above, certain assumptions were made. The impairment tests have been applied on the "cash-generating units" ("CGU") on the basis of the principles set out above. The recoverable amount of the total CGU is determined on the basis of the value-in-use model.

When determining its expected future cash flows, the Group takes into account prudent, though realistic, assumptions regarding the evolution of its markets, its sales, the raw materials prices, the impact of past restructurings and the gross margins, which all are based on (i) the past experiences of the management and/or (ii) which are in line with trustworthy external information sources. It can however not be excluded that a future reassessment of assumptions and/or market analysis induced by future developments in the economic environment might lead to the recognition of additional impairments.

For the discounting of the future cash flows, a uniform overall Group-based pre-tax discount rate of 10.7% is used for all CGUs (7.1% in 2021). This pre-tax discount rate is based on a (long-term) weighted average cost of capital based on the current market expectations of the time value of money and risks for which future cash flows must be adjusted; the risks being implicit in the cash flows.

The pre-tax discount rate for impairment testing is based on the following assumptions: (EUR based)

Group target ratios:	**2021**	**2022**
Gearing: net financial debt/total equity	50%	50%
% net financial debt	33%	33%
% total equity	67%	67%
Pre-tax cost of debt	**1.64%[2]**	**1.97%[1]**
Pre-tax cost of equity		
$= (R_f + (E_m * Beta) + S_p)/(1-T)$	**12.74%**	**10.68%**
Risk free interest rate = R_f	0.00%	3.19%
Beta	1.27	1.28
Market equity risk premium = E_m	6.0%	6.0%
Small cap premium = S_p	1.65%	1.65%
Corporate tax rate = T	**21.3%**	**21.9%**
Assumed inflation rate	1.9%	2.0%
Pre-tax WACC (weighted average cost of capital)	**7.1%**	**10.7%**

[1] *the 2022 pre-tax cost of debt integrates the impact of the Trimo acquisition. (cfr 5.2.4.8. Business combinations)*
[2] *the 2021 pre-tax cost of debt integrates the impact of the FoamPartner acquisition (cfr 5.2.4.7. Discontinued operations)*

The discount factors are reviewed at least annually.

Key assumptions

The dynamics of the business model, budgets and projected cash flows are based on stable cost structures which reflect inflation rates on labour and other costs, stable fixed costs and capital expenditure. Gross margins and operating results are sensitive to the volatility of raw material costs, which are unpredictable. Therefore, the budgets assume that increases or decreases in material costs are compensated through adaptations of the sales prices.

For the CGU "Trimo" the value-in-use model projections are based on budgets and financial plans covering in total a three-year period. After this 3-year period, a perpetuity value is taken into account without growth rate. For the first year (i.e. 2023) EBITDA is based on the full-year 2023 level and the full-year effect of the efficiency measures taken in 2022.

On this basis, the value-in-use of the CGU "Trimo" amounts to 1.76 times the net asset book value.

Sensitivity analysis

A first sensitivity analysis (A) is performed to measure the impact of a changing WACC rate (+1%) on the outcome of the impairment tests (see overview table).

A second sensitivity analysis (B) is performed to measure the impact of a changing gross margin on sales (-1%) on the outcome of the impairment tests – applied on the business plan 2022-2024 and the perpetuity (see overview table below).

A third sensitivity analysis (C) is performed to measure the impact of a changing sales volume level (-5% as from 2023) on the outcome of the impairment tests (see overview table below).

A fourth sensitivity analysis is performed to measure the combined impact of the above sensitivity analyses.

For the sensitivity analyses it is assumed that all other parameters of the underlying assumptions, such as market evolution, sales, raw materials prices, impact of past restructurings and gross margins, operating charges, working capital needs, capital expenditure, ..., remain unchanged.

in thousand EUR

	DISCOUNTED CASH FLOW / NET ASSET BASE (INCLUDING RIGHT-OF-USE ASSETS)				
Sensitivity	BASE CASE	1% INCREASE OF WACC (A)	1% DECREASE OF GROSS MARGIN ON SALES (B)	5% DECREASE OF NET SALES (C)	COMBINATION OF (A), (B) AND (C)
Trimo	1.76 times book value	1.6 times book value	1.63 times book value	1.43 times book value	1.2 times book value

Loss allowances for expected credit losses

A loss allowance for expected credit losses is recognised for trade debtors for which a risk of total or partial non-recovery of outstanding receivables exists due to the debtor's poor financial condition or for economic, legal or political reasons. The decision to classify a receivable as doubtful will be made by the management on the basis of all information available to them at any time. In line with the Group accounting principles, details on the amounts of the loss allowance for expected credit losses can be found in note 5.2.5.10.

The Group's credit management processes continues to prove their effectiveness resulting in no significant credit losses. No market evolutions lead to an increase of the default rates used to calculate the expected credit losses.

The amount of expected credit losses on external guarantees is assessed at each reporting date to reflect changes in credit risk since the guarantee was granted. When determining whether the credit risk of a guarantee has increased significantly since the issuance and when estimating expected credit losses, Recticel considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Loans granted to Associates included a subordinated vendor loan of EUR 10 million (maturity 2027) granted on 30 June 2021 to TEMDA2 GmbH, the Automotive joint venture which acquired the Automotive Interiors activities (cfr. 5.2.4.7.). On the basis of the assessment performed by the management no adjustment is to be made to the value of the latter loan.

Put/call options on discontinued operations Proseat and Automotive Interiors

On 19 February 2019, Recticel announced the closing of the transactions as a result of which Sekisui Plastics Co., Ltd. acquired 75% in Proseat. Following that transaction Recticel held a 25% participation in Proseat with the option to sell this remaining participation after three years. On 14 April 2022 following the exercise of its put option, Recticel sold to Sekisui Plastics Co., Ltd its remaining 25% participation in Proseat.

As per 31 December 2021 the fair value of the Proseat option amounted to EUR -2.3 million. On 14 April 2022, Recticel exercised its put option and sold to Sekisui Plastics Co., Ltd its remaining 25% participation in Proseat Europe GmbH, Germany. By 31 December 2022 Recticel reversed the previously recognised provision related to the fair value of the put option (EUR +2.3 million).

On 01 July 2021, Recticel announced the closing of the divestment of its Automotive Interiors business to TEMDA2 GmbH, a new joint venture with Admetos. Recticel holds a participation of 49% in this new joint venture. The agreement contains reciprocal call/put options - for Admetos to acquire, or Recticel to sell its remaining 49% share -, which are exercisable as from March 2024.

A valuation of the put/call structure on the remaining 49% participation in the Automotive joint venture TEMDA2/Ascorium has been made per 31 December 2022, valuing the fair value of the option amounted to zero (same as per 31 December 2021).

Both put/call option structures have been recognised as derivative financial instruments at fair value with changes in fair value to be recognised in profit or loss. The value of TEMDA2/Ascorium option has been calculated using the Black & Sholes option price formula, with the following key assumptions : (i) spot price equal to the equity value (TEMDA2) per end December 2022, (ii) automotive parts' sector volatility (32.2%), (iii) maturity based on terms and conditions set out in the initial share purchase agreement, (iv) a risk-free interest rate of -0.75% and (iv) a dividend yield of 0%.

Provisions for restructurings and onerous contracts

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has, by starting to implement the plan or announcing its main features to those affected by it, raised a valid expectation in those affected that it will carry out the restructuring.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

In line with the Group accounting principles, details on the amounts of provisions for restructurings and onerous contracts can be found in notes 5.2.4.3. and 5.2.5.15.

Provisions for contingent liabilities, litigations and other exposures

Any significant litigation (tax and other, including threat of litigation) is reviewed by Recticel's in-house lawyers with the support, when appropriate, of external counsels at least every half-year. This review includes an assessment of the need to recognise provisions and/or to re-measure existing provisions together with the Finance department and the Insurance department. Further details are provided in note 5.2.6.9.

Valuation of post-employment defined benefit obligations, other long-term employee benefits and termination benefits

The actuarial assumptions used in determining the defined benefit obligations at December 31, and the annual cost, can be found in note 5.2.5.14. All main employee benefit plans are assessed annually by independent actuaries. Discount rates and inflation rates are defined centrally by management. Other assumptions (such as future salary increases and demographic assumptions) are defined at a local level. All plans are supervised by he Group's central Human Resources department with the help of a central actuary to check the acceptability of the results and ensure consistency in reporting.

Current and deferred tax

All tax returns are prepared in good faith based on the available information, with often the assistance of external tax advisors. There are several tax audits ongoing in the Group, notably in Belgium, Germany and in Poland. While the ultimate outcome of these tax audits is not certain, the Group has considered the merits of its filing positions in the overall evaluation of potential tax liabilities and believes that adequate liabilities are recorded in the consolidated financial statements. However, important tax corrections can never be excluded. In such case, Recticel will defend its position, always in full collaboration with the tax authorities. The tax audit in the Netherlands will be closed without material corrections.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and other tax attributes to the extent that future taxable profits are expected to be available against which they can be usd. For this purpose, management reviews the recognition of deferred tax assets based on the business plans of the entities concerned.

Net deferred tax assets decreased from EUR 10.6 million on 31 December 2021 to EUR 1.1 million on 31 December 2022, mainly due to the acquisition of Trimo and the fair value accounting as per IFRS 3, the adverse one-off impact in Belgium following the change in tax legislation revising downwards the limit on the use of fiscal losses and the transfer to discontinued operations of the Recticel Engineered Foams activities.

Deferred tax assets are recognised mainly in Belgium (EUR 16.5 million), Slovenia (EUR 3.4 million), Germany (EUR 2.6 million), and France (EUR 1.4 million), (amounts before offset with deferred tax liabilities).

Assets held for sale - Discontinued operations

The Bedding activities, which per 31 March 2022 were sold to the Aquinos Group have been reclassified as assets and liabilities held for sale in accordance with accounting standard IFRS 5. The operating result of the Bedding activities have been presented in the consolidated financials as Result from Discontinued Operations.

For the Engineered Foams activities, Recticel considers criteria of IFRS 5 to be met as of 30 June 2022, and consequently the Engineered Foams activities have been accounted for as discontinued operations as per 30 June 2022. IFRS 5 has been applied on the basis of the following facts: (i) decision by the Board of Directors to divest the Recticel Engineered Foams activities, (ii) receival of a binding offer, (iii) obtention of shareholder approval, (iv) execution of legal carve-outs and (v) the sale being highly probable to be concluded within 12

months of the classification as disposal group held for sale. Following the application of IFRS5, depreciations have been stopped on Recticel Engineered Foams, as from 30 June 2022, the date Engineered Foams is available for immediate sale following the completion of the carve-outs.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. This gain, arising from the change in the fair value of investment property, is included in profit or loss for the period. In 2022 the remaining investments value have been realised with limited impact on the income statement since fair value was already reflected at the end of 2021.

5.2.2 COVID-19 impact

In the preparation of the consolidated financial statements for the year ended 31 December 2022, management considered the current economic environment and the impact of COVID-19. Despite the negative impact on the performance and cash flows during 2022 on the Bedding division (which has been divested on 31 March 2022), Recticel maintains a solid financial and liquidity position and meets its financial covenants. As such, management concluded the company is able to continue as a going concern with no long-term impact from COVID-19.

5.2.3 Brexit

The annual turnover of the Group in the UK represents 25.8% of total consolidated sales in 2022. The products the Group sells in the UK are mainly produced locally. The direct impact of Brexit concerns (i) the import of chemical raw materials necessary for local production, as these raw materials are not available in the UK, and (ii) a currency exchange rate risk. The Brexit treaty concluded in 2021 between the European Union and the United Kingdom has led to the elimination of possible risks with regard to the supply of raw materials.

5.2.4 Climate change

The Group's operations are generally speaking not energy intensive. Consequently Recticel's activities and products have a limited negative impact on the emission of greenhouse gases. Moreover, this is overcompensated by Recticel's Insulation products which over their product lifetime substantially overcompensate any negative impact on climate change from Recticel's operations. Going forward, Recticel will become an even more "green company" as its insulation products will reduce the impact of heating buildings; hence it positively mitigates impact on climate change. Climate change might negatively impact the supply chain (raw material availability and prices), however, Recticel is looking into alternative solutions such as (chemical and mechanical) recycling of life-end products.

5.2.5 Russia-Ukraine conflict

Currently Recticel has no local operations in Russia and Ukraine. Neither does Recticel export to Russia and Ukraine. Consequently there is no direct impact observed nor to be expected.

However, it is not excluded that future operations and business are affected indirectly by the conflict. These indirect impacts may come from supply issues, an inflationary macro-economic environment, credit risks on customers and increasing financing costs. It is expected that these eventual impacts on operations and financial position should remain limited for the Group.

5.2.6 Inflation

The aftermath of the COVID-19 pandemic and the Russia-Ukraine conflict have led to higher interest rates and a steep increase of the inflation in Europe. The inflation affects mainly energy costs and salaries. All these costs are being critically reviewed and optimized on a constant basis. These inflation effects were passed through were possible.

5.2.4.6. Changes in scope of consolidation

The following changes in the scope of consolidation took place **during the year 2022**:

On 31 March 2022: disposal of the Bedding activities to the Portuguese privately owned Aquinos Group (see 5.2.4.7. Discontinued operations). The disposed Bedding companies are:

Recticel Bedding Belgium b.v.	Belgium
Recticel Schlafkomfort GmbH	Germany
Recticel b.v.	The Netherlands
Recticel Sp.z.o.o.	Poland
Recticel Bedding Romania s.r.l.	Romania
Recticel Bedding (Schweiz) AG	Switzerland
Sembella GmbH	Austria

End-April 2022: acquisition of TRIMO d.o.o.- the Slovenian specialist in the production of sustainable premium insulated panels for the construction industry. TRIMO is fully integrated in the consolidated statements from 01 May 2022 (see 5.2.4.8. Business combinations). The acquired TRIMO companies are:

Trimo d.o.o.	Slovenia	100%
Trimo MSS d.o.o.	Slovenia	100%
Tinde d.o.o.	Slovenia	100%
Trimo Inženjering d.o.o.	Serbia	100%
Trimo UK Ltd	UK	100%
Trimo Polska, sp. z o.o.	Poland	100%
TrimoMakedonija,DOOEL	Macedonia	100%
Trimo DE GmbH	Germany	100%
Trimo Benelux B.V	The Netherlands	100%
Trimo DCS FZE (UAE)	UAE	100%
Trimo S.r.l. (in liquidation)	Italy	100%
Trimo Bulgaria, OOD	Bulgaria	70%
Trimo Slovakia spol. s.r.o	Slovakia	25%
ZEL-EN, razvojni center energetike Slovenia d.o.	Slovenia	13,59%

On 14 April: 2022: Following the exercise of its put option, Recticel sold to Sekisui Plastics Co., Ltd its remaining 25% participation in Proseat Europe GmbH, Germany - the European moulded seat cushion specialist.

Application of IFRS 5 effective 30 June 2022 to the Engineered Foams activities. In accordance with IFRS 5, this business has been presented as discontinued operations in the consolidated income statement. Details are disclosed in note 5.2.4.7. Discontinued operations.

The following changes in the scope of consolidation took place **during the year 2021**:

Acquisition of the Swiss-based FoamPartner group - a global provider of high value-added technical foam solutions in the Mobility, Industrial Specialties and Living & Care markets. FoamPartner is fully integrated in the consolidated statements from 01 April 2021, and is reported under the segment Engineered Foams. The acquired FoamPartner companies are:

- FoamPartner Germany GmbH - Germany, which merged with FoamPartner Converting Center GmbH, Germany, FoamPartner Leverkusen GmbH, Germany and FoamPartner Delmenhorst GmbH, Germany
- Frina Mousse sàrl – France (in liquidation)
- FoamPartner Switzerland AG - Switzerland, which merged with Buttikofer AG, Switzerland
- FoamPartner Holding AG - Switzerland
- FoamPartner America Inc - USA
- FoamPartner Singapore - Singapore
- FoamPartner Polyurethane Materials (Changzhou) Co., Ltd. - China
- FoamPartner Trading (Shanghai) Ltd - China

End-2021, Recticel Bedding Belgium SA/NV was set up in the context of the carve-out of the Bedding activities which were sold to Aquinos (see 5.2.4.7 Discontinued operations).

So following the agreement reached with the Aquinos Group on the divestment of the Group's Bedding activities, and in accordance with IFRS 5, the Bedding activities are presented as discontinued operations in the consolidated financial statements. For legal entities impacted by disposal of Bedding activities, see note 5.2.5.5.

3.2.3 Business and geographical segments

3.2.3.1 Business segments

As from 2022 Recticel will report on a single segment basis.

With the acquisition of Trimo, the divestment of Bedding and anticipated divestment of Recticel Engineered Foams, Recticel will become a pure Insulation player and updated its segment reporting. As from 30 June 2022 Recticel will report one operating segment Insulation, comprising Insulation Boards, Insulated Panels and Corporate, based on the following assessment:

- Both Insulated Panels and Insulation Boards activities are part of the same Insulation business, impacted by similar economic characteristics with similar growth trends and long term expectations. The raw materials used for both business lines are subject to the same market trends in the construction and building business. Both business lines will be further integrated with each other in the next coming months allowing to benefit from further synergies. No geographical segmentation is reported since Recticel has only a footprint in Europe and is mainly distributing in Europe where the same market conditions and evolutions are applicable between the different European regions.
- Both for the historical Insulation Boards activity and the Insulated Panel activity (Trimo) the Chief Operating Decision Maker ("CODM") is Recticel's CEO Olivier Chapelle. It is Recticel's CEO who makes the decisions about resources to be allocated to the segment and assesses its performance. Moreover the CODM also acts as segment manager since there is only one operating segment at Recticel. He is directly accountable for the operating activities, the financial results, forecasts or plans for the segment. On a regular basis the CODM reports to the Board of Directors of Recticel the financial performance of the Group. Such performance is reported at Group level, i.e. consolidated figures for the Insulation segment (incl. both Insulated Panels and Insulated Boards) and including Corporate. No operating profit or other KPI's are reported and monitored at the level of business lines towards the Board of Directors, except to present evolutions of certain products, customers and/or countries to explain the general trends of the segment/ business as a whole. As Recticel is no longer a group with separate segments, the corporate costs are fully dedicated and allocated to the Insulation activity. This is also the set of accounts for which the CODM (equal to the segment manager in this situation) is responsible.

3.2.5.2 Geographical repartition and disaggregation of sales

The Group's operations are mainly located in the European Union.

Sales (by destination)

The following tables provide an analysis of the Group's sales and fixed assets by geographical market.

in thousand EUR

	2021 RESTATED	2022
Belgium	99,935	95,783
France	72,518	89,882
The Netherlands	70,250	68,195
Germany	15,273	23,787
Other EU countries	60,479	114,378
European Union	**318,455**	**392,025**
United Kingdom	129,171	144,977
Other	1,585	24,514
TOTAL	**449,211**	**561,516**

Reliance on major customers

In 2022, none of the customers represented more than 10% of total sales.

The top-10 customers of the Group represent 31.2% (2021 restated: 33.6%) of total consolidated sales.

Intangible assets – Property, plant & equipment – Right-of-use assets – Investment property

in thousand EUR

			ACQUISITIONS, INCLUDING OWN PRODUCTION	
	31 DEC 2021	31 DEC 2022	2021	2022
Belgium	76,618	41,198	7,645	7,154
France	34,533	17,846	2,830	2,983
Germany	105,905	2,483	4,733	1,105
Slovenia	2,718	100,493	961	2,685
Other EU countries	34,833	21,112	3,473	3,588
European Union	**254,607**	**183,133**	**19,642**	**17,514**
China	32,276	0	1,115	219
Switzerland	63,071	0	1,487	381
United Kingdom	50,165	24,141	2,361	1,980
Other	18,398	5,854	3,331	703
TOTAL	**418,518**	**213,128**	**27,936**	**20,797**

In 2022 acquisitions of Recticel Engineered Foams are included until 30/06/2022 (EUR 7.4 million), date on which the criteria for IFRS5 application transfer to discontinued operations were applied.

Income statement

Gross profit

The gross profit increased by 23.3% from 84.9 million (restated) to EUR 104.7 million. The higher gross profit is primarily explained by the acquisition of Trimo.

General and administrative expenses - Sales and marketing expenses – Research and development expenses

General and administrative expenses increased by EUR 2.9 million to EUR 29.8 million. This increase is mainly explained by inflationary salary impact. The increase due to the business combination Trimo was compensated by a reduction in corporate costs.

For the same reason and also due to an increased activity level post - Covid, Sales and marketing expenses increased from EUR 18.1 million (restated) to EUR 26.5 million, as well as Research and development expenses that increased from EUR 3.6 million (restated) to EUR 4.2 million.

Other operating revenues and expenses

in thousand EUR

	2021 RESTATED	2022
Other operating revenues	6,641	1,624
Other operating expenses	(5,501)	(9,989)
TOTAL	**1,141**	**(8,365)**
Restructuring charges (including site closure, onerous contracts and clean-up costs)	(645)	(1,277)
Gain (Loss) on disposal of intangible, tangible and right-of-use assets	1,008	486
Gain (Loss) on investment operations		95
Revaluation investment property	4,233	
IAS 19 Pensions and other similar obligations	(1,057)	(808)
Provisions	129	(1,202)
Fees consultancy and subcontractors	(1,704)	(1,571)
Other expenses	(1,831)	(6,243)
Other revenues	1,008	2,154
TOTAL	**1,141**	**(8,365)**

Restructuring

In **2022**, reorganisation charges (EUR -1.3 million) relate to restructuring measures in Belgium, France and Slovenia.

In **2021**, restructuring charges (EUR -0.6 million) relate to restructuring in Belgium.

Revaluation investment property

In **2021**, this item relates to a revaluation of investment property at fair value in Belgium.

Fees consultancy and subcontractors

In **2022**, this item relates to legal and advisory fees for (i) the acquisition of Trimo, (ii) the envisaged acquisition of Gor-Stal.

Other expenses

In **2022**, the increase of other expenses mainly relate to the intangible assets amortisation of the business combination Trimo (EUR -4.0 million).

2.2.4.3 Operating profit (loss)

The components (by nature) of the Operating profit (loss) are as follows:

in thousand EUR

	2021 RESTATED	2022
Sales	449,211	561,516
Purchases and changes in inventories	(290,138)	(364,404)
Other goods and services	(82,164)	(95,167)
Labour costs	(74,484)	(82,090)
Amortisation and depreciation on non-current assets	(12,884)	(19,085)
Impairments on non-current assets	(27)	(1,047)
Amounts written back/(off) on affiliated investments	(0)	0
Amounts written back/(off) on inventories	78	(1,279)
Amounts written back/(off) on receivables	289	(163)
Provisions	2,386	178
Gain/(Loss) on disposal intangible and tangible assets	955	597
Gain/(Loss) on disposal on investments	27	(0)
Gain/(Loss) on trade receivables	(30)	(41)
Operating taxes	(1,785)	(1,887)
Other operating expenses	(1,130)	(2,444)
Own production	2,966	999
Operating subsidies	738	731
Commissions and royalty income	0	(0)
Operating lease income	1,419	1,368
Revaluation investment property	4,233	0
Service fees	6,894	3,053
Other operating income	30,920	34,051
Operating profit (loss)	**37,475**	**34,886**

Sales: Sales increased by 25.0% from EUR 449.2 million to EUR 561.5 million; of which EUR +129.2 million from Trimo and EUR -49.8 million following the phasing out of sales of chemicals to divested Automotive companies.

The sales growth has been driven by supportive demand in most markets, in combination with price increases mitigating the substantial impact of higher purchase prices for raw material and other components.

Purchases and changes in inventories increased as a result of higher sales and on average higher chemical raw materials prices and higher volumes compared to 2021 which was impacted by the COVID-19 pandemic.

Other goods and services comprise transportation costs (EUR 34.9 million versus EUR 22.1 million in 2021), operating lease expenses (EUR 1.3 million versus EUR 1.2 million in 2021), supplies (EUR 5.3 million versus EUR 4.9 million in 2021), fees (EUR 21.9 million versus EUR 23.7 million in 2021), repair and maintenance costs (EUR 4.9 million versus EUR 5.0 million in 2021), advertising/fairs/exhibition costs (EUR 2.3 million versus EUR 1.6 million in 2021), travel expenses (EUR 2.5 million versus EUR 1.1 million in 2021), administrative expenses (EUR 4.3 million versus EUR 3.4 million in 2021), insurance expenses (EUR 5.2 million versus EUR 4.2 million in 2021).

Labour costs increased (EUR 82.1 million versus EUR 74.5 million in 2021) mainly due to the addition of business combination Trimo (EUR 13.1 million).

Amortisation and depreciation on non-current assets increased in 2022 due to the amortisations and deprecations on intangible assets resulting from the PPA of the Trimo acquisition.

Other operating expenses increased (EUR 2.4 million versus EUR 1.1 million in 2021), mainly related to restructuring costs.

5.2.4.3 Financial result

in thousand EUR

	2021 RESTATED	2022
Interest on lease liabilities	(444)	(376)
Interest on long-term bank loans	(3,056)	(3,160)
Interest on short-term bank loans & overdraft	(454)	(2,440)
Net interest charges on Interest Rate Swaps and Foreign Currency Swaps	42	462
Total borrowing cost	**(3,912)**	**(5,514)**
Interest income from bank deposits	135	33
Interest income from financial receivables	779	483
Interest income from financial receivables and cash	**914**	**516**
Interest charges on other debts	(11)	(34)
Interest income on other receivables	20	0
Total other interest	**9**	**(34)**
Interest income and expenses	**(2,990)**	**(5,032)**
Exchange rate differences	1,119	(4,876)
Net interest cost IAS 19	(39)	(70)
Other financial result	54	102
Total other financial result	**1,135**	**(4,845)**
FINANCIAL RESULT	**(1,855)**	**(9,876)**

In 2022 exchange rate differences include a €-6.2 million reversal of historic currency translation adjustments as a result of the liquidation of a holding company in the UK. Interest on short-term bank loans have increased due to the increase in short term financial debt linked to the acquisition of Trimo and following the trend of increasing variable market interest rates.

5.2.4.3 Income taxes

Income tax charges

in thousand EUR

	2021 RESTATED	2022
recognized in the income statement		
Current tax expense:		
Current year	4,376	7,535
Adjustments in respect of prior year	4	1,233
Total current tax expense[1]	**4,380**	**8,767**
Deferred tax expense:		
Origination and reversal of temporary differences and tax losses	504	8,638
Unrecognized deferred tax assets on current year's losses	5,606	275
Recognition of deferred tax assets previously not recognized	(16,067)	(7,540)
Derecognition of previously recognized deferred tax assets	0	5,937
Effect of changes in tax rates on deferred taxes	7	(8)
Adjustments for prior periods	(336)	(624)
Other deferred tax expenses	712	(37)
Total deferred tax expense[1]	**(9,574)**	**6,641**
Total tax expense on continuing operations	**(5,194)**	**15,408**

[1] The current and deferred tax expenses increased in 2022 compared to 2021 mainly due to the taxation of gains on the legal carve-out of the Recticel Engineered Foams activities, the taxation of operating profits realized on the insulation activities, including those realized by the recently acquired Trimo entities and the derecognition of deferred tax assets in 2022 (EUR 5,9 million) results from the adverse one-off impact in Belgium following the change in tax legislation revising downwards the limit on the future use of tax losses..

in thousand EUR

	2021 RESTATED	2022
Reconciliation of effective tax rate		
Profit (loss) before taxes - continuing operations	28,756	26,164
Minus income from associates	0	0
Minus income from other associates	(451)	1,176
Result before tax and income from (other) associates	**28,305**	**27,340**
Group's domestic tax rate	**25.00%**	**25.00%**
Tax at the Group's domestic income tax rate	**7,076**	**6,835**
Effect of different tax rates of subsidiaries operating in different jurisdictions	(1,980)	(1,345)
Tax effect of non-deductible expenses	973	1,994
Tax effect of non-taxable income	(709)	(1,740)
Tax effect of tax incentives	(228)	(222)
Unrecognized deferred tax assets on current year's losses[1]	5,606	275
Recognition of deferred tax assets previously not recognized[2]	(16,067)	(7,540)
Derecognition of deferred tax assets previously recognized [3]	(0)	5,937
Effect of changes in tax rates on deferred taxes	7	(8)
Tax effect of current and deferred tax adjustments related to prior years	(332)	609
Other[4]	460	10,613
Tax expense for the year - continuing operations	**(5,194)**	**15,408**

[1] The unrecognized deferred tax assets on current year's losses mainly relate to losses incurred in Germany and in The Netherlands in 2021.

[2] Additional deferred tax assets have been recognized in Belgium and France in 2021 and in Germany and The Netherlands in 2022 as a result of increased profit expectations, including gains on the carve-out of the Bedding and Engineered Foams activities.

[3] The derecognition of deferred tax assets in 2022 results from the adverse one-off impact in Belgium following the change in tax legislation revising downwards the limit on the future use of tax losses.

[4] Other mainly consists of carve-out operations taxable under continued operations while the compensating tax income is recognized under discontinued operations and the underlying intercompany results between continued and discontinued are eliminated in the consolidated results of the continued and discontinued operations.

in thousand EUR

	2021	2022
Deferred tax charged or (credited) directly to equity		
Impact of IAS 19R on equity	1,469	1,189
Total	**1,469**	**1,189**

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2. Deferred tax assets and liabilities

in thousand EUR

	31 DEC 2021			31 DEC 2022								
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET	RECOGNIZED IN THE INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	ACQUIRED IN BUSINESS COMBINATIONS	TRANSFER TO DISCONTINUED OPERATIONS[2]	TRANSLATION DIFFERENCES	OTHER	NET	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
recognized deferred tax assets and liabilities												
Intangible assets[1]	4,060	(5,485)	(1,424)	(758)	(1)	(13,181)	5,156	(33)	(28)	(10,269)	2,474	(12,742)
Property, plant & equipment[1]	1,367	(34,369)	(33,002)	3,630	0	(2,535)	26,980	31	9	(4,887)	1,236	(6,123)
Investments	5,648	0	5,648	(8)	0	140	(659)	0	(4,988)	132	132	0
Receivables	634	(6,063)	(5,430)	1,042	0	961	75	0	4,444	1,092	1,157	(65)
Inventories	329	(15)	315	448	0	(496)	(291)	0	0	(24)	24	(47)
Cash and cash equivalents	0	(0)	(0)	0	0	0	0	0	0	0	0	0
Tax-free reserves	42	(3,193)	(3,151)	(324)	0	0	2,937	0	229	(309)	8	(318)
Early retirements and defined benefits	8,141	(0)	8,141	(1,328)	(196)	(415)	(4,025)	(38)	(319)	1,820	2,278	(458)
Provisions for other risks and charges	1,614	(8,315)	(6,701)	(329)	0	(0)	98	0	(54)	(6,986)	949	(7,935)
Interest-bearing borrowings and loans	10,632	(1,516)	9,116	477	0	0	(8,187)	(11)	621	2,017	2,188	(171)
Other liabilities	2,349	(234)	2,115	(1,319)	0	23	(547)	(3)	315	585	724	(139)
Tax loss carry-forwards/ Tax credits[3]	34,922	(0)	34,922	(8,314)	0	3,659	(12,563)	0	0	17,703	17,703	0
Other tax attributes	68	(0)	68	141	0	0	0	0	0	209	209	0
Total	**69,806**	**(59,189)**	**10,617**	**(6,641)**	**(197)**	**(11,845)**	**8,973**	**(54)**	**229**	**1,083**	**29,081**	**(27,998)**
Set-off	(22,961)	22,961	0							0	(6,295)	6,295
Total (as provided in the statement of financial position)	**46,845**	**(36,229)**	**10,617**	**(6,641)**	**(197)**	**(11,845)**	**8,973**	**(54)**	**229**	**1,083**	**22,786**	**(21,704)**

The total net deferred tax assets decreased from EUR 10.6 million at 31 December 2021 to EUR 1.1 million at 31 December 2022. The main changes in 2022 are relating to the following items:

[1] An increase of deferred tax liabilities on intangible assets and property, plant & equipment due to the deferred tax liabilities computed on the step-up basis resulting from the purchase price allocation of the acquisition of Trimo (impact of EUR 14.7 million included in the column Acquired in business combination).

[2] A net increase of deferred tax assets of EUR 9 million related to the opening balance on 01/01/2022 of Engineered Foams entities which are reported under discontinued operations.

[3] A decrease of deferred tax assets on tax loss carry-forwards mainly as a result of the use of losses on the gains realized on the legal carve-out of the Recticel Engineered Foams activities in Belgium and in The Netherlands and the derecognition of deferred tax assets on tax loss carry-forwards in Belgium following the change of tax legislation revising downwards the limit of future use of tax losses (impact of EUR 5.9 million).

Tax loss carry-forwards – amounts by expiration date:

in thousand EUR

	2021[1]	2022[2]
One year	951	0
Two years	1,044	0
Three years	364	0
Four years	0	0
Five years and thereafter	9,201	4,110
Without time limit	360,681	258,374
Total	**372,242**	**262,484**

[1] The total amount of tax losses carried forward per 31 December 2021 includes the tax losses carried forward of the entities of the Engineered Foams activities (EUR 103 million) which were reported within the discontinued operations in 2022.
[2] At 31 December 2022, EUR 17.7 million of deferred tax assets are recognized in respect of tax losses, representing EUR 72.2 million of tax losses carried forward out of a total amount of tax losses carried forward of EUR 262.5 million. Deferred tax assets in relation to losses which are not recognized relate mainly to Germany (Recticel Verwaltung - EUR 160.7 million) and Belgium (Recticel SA – EUR 23.7 million).

Deferred tax assets recognised and unrecognised by the Group apply to the following elements as at 31 December 2022:

in thousand EUR

	TOTAL POTENTIAL DEFERRED TAX ASSETS[1]	RECOGNIZED DEFERRED TAX ASSETS[2]	NOT RECOGNIZED DEFERRED TAX ASSETS
Temporary differences	14,733	11,169	3,564
Tax losses carried forward	73,830	17,703	56,127
Other tax attributes	209	209	0
Total before set-off	**88,772**	**29,081**	**59,691**

[1] The variances in total potential deferred tax assets in 2022 compared to 2021 mainly relate to the exclusion of the Engineered Foams activities which have been reported within the discontinued operations (impact of EUR 26.6 million on temporary differences and EUR 24.7 million on tax losses carried forward)
[2] At 31 December 2022 deferred tax assets of EUR 29 million are recognized mainly in Belgium (EUR 16,5 million), in Slovenia (EUR 3.4 million), in Germany (EUR 2.6 million), and France (EUR 1.4 million). These deferred tax assets have been recognized as it is expected that future taxable profit will be available against which the related deductible temporary differences, unused tax losses and tax attributes can be utilized.

Deferred tax assets recognised and unrecognised by the Group apply to the following elements as at 31 December 2021:

in thousand EUR

	TOTAL POTENTIAL DEFERRED TAX ASSETS	RECOGNIZED DEFERRED TAX ASSETS	NOT RECOGNIZED DEFERRED TAX ASSETS
Temporary differences	36,732	34,816	1,916
Tax losses carried forward	104,265	34,922	69,343
Other tax attributes	3,357	68	3,289
Total before set-off	**144,354**	**69,806**	**74,548**

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and when it is probable that the temporary difference will not reverse in the foreseeable future. No deferred tax liabilities have been recognised on undistributed retained earnings of subsidiaries.

Note 7 Discontinued operations

For the period ending 31 December 2022

Result from discontinued operations: EUR 52.8 million compared to EUR 20.4 million in 2021.

The result from discontinued operations mainly represents:
(i) the result after taxes of the period of the Engineered Foams activities which are currently in the process of being sold (EUR 32.8 million);
(ii) the result after taxes of the first three months of 2022 of the Bedding activities (EUR 1.1 million);
(iii) the net capital gain on the disposal of the Bedding activities sold to Aquinos Group (EUR +17.9 million, including EUR 7.0 million of provisions for indemnities); and
(iv) the result following the settlements related to the divestment of the Ascorium (formerly Automotive Interiors) activities (EUR + 0.8 million).

The total result (restated) of discontinued operations in 2021 was composed of:
(i) the result after taxes of the period of the Engineered Foams activities which are currently in the process of being sold (EUR 21.3 million);
(ii) the net result related to the Bedding activities (EUR -2.3 million); and
(iii) the result following the settlements related to the divestment of the Ascorium (formerly Automotive Interiors) activities (EUR 1.4 million).

- *Recticel Engineered Foams (REF)*

On 11 October 2021 Recticel received a binding offer from Carpenter Co. for the divestment of its Engineered Foams business for a cash consideration based on an Enterprise Value of EUR 656 million on a cash and debt free basis. Following the authorization given by the shareholders during the Special General Meeting of 06 December 2021, Recticel entered into a binding agreement to sell its Engineered Foams business line to the US-based privately owned Carpenter Co. ("Carpenter"). Beginning of 2022 the public offer issued by Greiner has expired and on 28 February 2022 Greiner sold 12,647,732 shares (22,6 % voting rights of the company) to Baltisse NV, which subsequently sold these shares to an affiliated special purpose company, Spring Holdco BV. Recticel received a transparency notification dated 15 June 2022,

showing that Spring Holdco BV, as a result of the acquisition of shares on 07 June 2022, owns 15,262,301 (27.16%) voting rights of the company.

In accordance with IFRS, Recticel evaluated the criteria for the application of IFRS 5, to assess the classification of Engineered Foams as disposal group held for sale. Recticel considers the criteria of IFRS 5 to be met as of 30 June 2022, and consequently the Engineered Foams activities have been accounted for as discontinued operations as per 30 June 2022. IFRS 5 has been applied on the basis of the following facts: (i) decision by the Board of Directors to divest the Recticel Engineered Foams activities, (ii) receival of a binding offer, (iii) obtention of shareholder approval, (iv) execution of legal carve-outs and (v) the sale being highly probable to be concluded within 12 months of the classification as disposal group held for sale. Following the application of IFRS5, depreciations have been stopped on Recticel Engineered Foams, as from 30 June 2022, the date Engineered Foams is available for immediate sale following the completion of the carve-outs.

The divestment of Engineered Foams to Carpenter Co. (the "Transaction") is subject to approval by the UK Competition and Markets Authority (the "CMA"). Recticel announced that on 4 July 2022 the CMA has issued its Phase I decision with respect the Transaction and has found that the Transaction would raise competition concerns in the UK market. The CMA indicated that the Transaction would remove a close competitor of Carpenter's, with Recticel and Carpenter representing 2 of just 3 foam producers with plants in the UK. The affected UK Recticel Engineered Foams businesses represent 8.7% of the 2021 turnover of the Recticel Engineered Foams business.

On 18 July 2022, CMA has published its decision that the remedy undertakings offered by Carpenter cannot be accepted by the CMA under the Enterprise Act 2002 and that it will refer the case to Phase 2. This means that the CMA will investigate in more detail what impact the intended transaction will have on competition, and what remedy undertakings could be committed to by the parties in order to allow for clearance of the transaction. The CMA referred the divestment case of Engineered Foams to a phase II investigation. Both parties continue to work towards a closing to take place as soon as possible.

The results of these Recticel Engineered Foams activities are composed as follows:

in thousand EUR

	RECTICEL ENGINEERED FOAMS	
Profit and loss account	2021	2022
Sales	**583,562**	**647,886**
Cost of sales	(481,969)	(524,815)
Gross profit (loss)	**101,593**	**123,071**
General and administrative expenses	(39,810)	(42,452)
Sales and marketing expenses	(26,781)	(25,905)
Research and development expenses	(5,630)	(5,905)
Impairment of goodwill, intangible and tangible assets	0	0
Other operating revenues	5,308	2,818
Other operating expenses	(20,224)	(17,121)
Income from other associates	371	782
Operating profit (loss)	**14,827**	**35,288**
Financial result	(2,683)	(2,610)
Result of the period before taxes	**12,144**	**32,678**
Income taxes	9,141	91
Net result of the period	**21,285**	**32,769**

An impairment analysis has been made under IFRS 5 (i.e. lower of fair value – cost to sell versus carrying assets) and didn't result in an impairment.

The net assets of Recticel Engineered Foams as per 31 December 2022 were as follows:

in thousand EUR

Assets and liabilities	RECTICEL ENGINEERED FOAMS
Goodwill	9,276
Intangible assets	26,707
Property, plant and equipment	239,399
Right-of-use assets	37,054
Investment property	0
Investment in joint ventures and associates	13,491
Other financial assets	3,867
Non-current contract assets	0
Deferred tax assets	26,088
Prepaid for defined benefit plans	0
Non-current assets	**355,882**
Inventories	81,440
Trade receivables	78,996
Current contract assets	0
Other receivables and other financial assets	10,922
Income tax receivables	3,563
Other investments	0
Cash and cash equivalents	26,558
Current assets	**201,479**
TOTAL ASSETS OVER WHICH CONTROL WILL BE LOST	**557,361**
Pensions and similar obligations	16,759
Provisions	7,437
Deferred tax liabilities	27,154
Financial liabilities	26,744

in thousand EUR

Assets and liabilities	RECTICEL ENGINEERED FOAMS
Non-current contract liabilities	0
Other amounts payable	32
Non-current liabilities	**78,126**
Pensions and similar obligations	0
Provisions	390
Financial liabilities	3,169
Trade payables	44,240
Current contract liabilities	2,286
Income tax payables	5,853
Other amounts payable	37,778
Current liabilities	**93,717**
TOTAL LIABILITIES OVER WHICH CONTROL WILL BE LOST	**171,843**
NET ASSETS TO BE DISPOSED OF	**385,517**

In accordance with IFRS 5, the balance sheet per 31 December 2021 has not been restated, and the balance sheet per 31 December 2022 has been restated with balance sheet positions of continuing versus discontinued operations being eliminated.

Transactions between the discontinued operations of Recticel Engineered Foams and the other continuing activities are eliminated, both at income statement and financial position level. These transactions relate mainly to corporate management services (EUR 11.1 million) and a net short-term financing position (EUR +156.5 million).

At 31 December 2022 the other comprehensive income reserves comprises currency translation reserves (EUR -0.4 million) that will be recycled in the income statement at the moment of the closing of the divestment of Recticel Engineered Foams. Other comprehensive income of pensions amount to (EUR -6.8 million) per 31 December 2022 and will not be recycled into the income statement.

The cash flow statement of the discontinued operations is as follows:

in thousand EUR

Cash flows	RECTICEL ENGINEERED FOAMS 2021	2022
Net cash flow from operating activities relating to discontinued operations	56,354	9,623
Net cash flow from divestment/(investment) activities relating to discontinued operations	(223,733)	(32,189)
Net cash flow from financing activities relating to discontinued operations	(10,901)	(10,539)
Effect of exchange rate differences	(2,219)	(9)
Total cash flow from discontinued operations	**(180,498)**	**(33,114)**

Guarantees given or irrevocably promised by Recticel SA/NV as security for debts and commitments of companies classified as held for sale amount to:
- on behalf of Recticel Iberica S.L.: EUR 1.8 million;
- on behalf of Recticel Ltd.: EUR 17.0 million, of which an estimated EUR 6.5 million (GBP 5.5 million) for the pension fund;

- *Bedding*

On 31 March 2022, the Group has completed the divestment of its Bedding division to Aquinos Industry SA. The result on the transaction and net result for the three months period ending 31 March 2022 for the Bedding division are included in result from discontinued operations and are detailed as following:

in thousand EUR

	BEDDING
Net assets Bedding (a)	**52,681**
Purchase consideration	122,400
Net financial debt	(46,700)
Debt-like items and working capital adjustments	2,600
Equity value (b)	**78,300**
Gain on divestment (b) - (a)	**25,619**
Directly attributable transaction costs	(400)
Release of currency translation costs	600
Write-off remaining positions with Bedding companies	(700)
Gain on divestment , incl. related costs and recycling of other comprehensive income elements to income statement	25,119
Provision for indemnities	(7,000)
Result after taxes of the period (3 months period: 1 January 2022 - 31 March 2022)	1,126
Total net result of discontinued operations Bedding	**19,245**

Gain on the divestment of the Bedding activities is subject to final agreement and settlement of the Completion Accounts with Aquinos Industry SA.

Provision indemnities relate to specific indemnities that were agreed, to be covered by Recticel Group, in case they would materialize and/or become a reality during the periods after closing foreseen in the Sale & Purchase Agreement between Recticel and Aquinos Industry SA.

Recticel has an outstanding receivable on Aquinos Industry SA of EUR 25.2 million, to be collected subject to final agreement on the completion accounts.

The results of these Bedding activities are composed as follows:

in thousand EUR

	BEDDING	
Profit and loss account	2021 RESTATED (12 MONTHS)	2022 (3 MONTHS)
Sales	**208,579**	**56,567**
Cost of sales	(164,340)	(44,782)
Gross profit (loss)	**44,239**	**11,785**
General and administrative expenses	(12,014)	(5,956)
Sales and marketing expenses	(27,810)	(7,118)
Research and development expenses	(2,081)	(398)
Impairment of goodwill, intangible and tangible assets	0	0
Other operating revenues	833	1,574
Other operating expenses	(9,508)	1,365
Income from other associates	0	0
Operating profit (loss)	**(6,341)**	**1,252**
Financial result	(1,204)	(192)
Result of the period before taxes	**(7,545)**	**1,060**
Income taxes	5,274	66
Net result of the period	**(2,271)**	**1,126**

In 2021 the P&L of Bedding was restated from continued to discontinued with advisory fees related to the Bedding divestment for an amount of 5.8 million EUR.

The net assets of Bedding as per 31/03/2022 (i.e. the date of divestment) are as follows:

in thousand EUR

Assets and liabilities	BEDDING
Goodwill	12,061
Intangible assets	7,958
Property, plant and equipment	23,153
Right-of-use assets	24,689
Other financial assets	259
Deferred tax assets	6,292
Prepaid for defined benefit plans	
Non-current assets	**74,412**
Inventories	31,889
Trade receivables	27,968
Other receivables and other financial assets	1,378
Income tax receivables	455
Other investments	187
Cash and cash equivalents	9,313
Current assets	**71,191**
TOTAL ASSETS OVER WHICH CONTROL WAS LOST	**145,603**
Pensions and similar obligations	6,244
Provisions	1,342
Deferred tax liabilities	0
Financial liabilities	19,367
Other amounts payable	57
Non-current liabilities	**27,011**
Pensions and similar obligations	0
Provisions	189
Financial liabilities	27,621
Trade payables	17,094

in thousand EUR

Assets and liabilities	BEDDING
Current contract liabilities	6,622
Income tax payables	468
Other amounts payable	13,917
Current liabilities	**65,911**
TOTAL LIABILITIES OVER WHICH CONTROL WAS LOST	**92,922**
NET ASSETS DISPOSED OF	**52,681**

Transactions between the discontinued operations of Bedding and the other continuing activities are eliminated, both at income statement and financial position level. These positions mainly relate to net short-term financing (EUR +22.7 million).

The cash flow statement of the discontinued operations is as follows:

in thousand EUR

	BEDDING	
Cash flows	2021	2022
Net cash flow from operating activities relating to discontinued operations	1,996	1,308
Net cash flow from divestment/(investment) activities relating to discontinued operations	(5,470)	(759)
Net cash flow from financing activities relating to discontinued operations	(3,018)	(1,363)
Effect of exchange rate differences	0	85
Total cash flow from discontinued operations	**(6,493)**	**(729)**

In the income statement per 31 December 2021 and 2022 transactions between continuing and discontinued operations have been eliminated.

At 31 December 2022 the other comprehensive income comprises pension contribution hedging reserves (EUR 3.0 million) and currency translation adjustments (EUR 0.6 million) that will be recycled in the income statement (result from discontinued operations) at the moment of the closing of the divestment of Bedding.

- *TEMDA2 GmbH (formerly Automotive Interiors)*

Following the finalization of the closing accounts per 31 December 2021 for the Automotive Interiors divestment, a settlement was reached between Recticel and the purchaser with regard to certain amounts to be taken into consideration for deduction from the purchase price, as well as a claimed breach of the agreement. The settlement of the Automotive Interiors divestment led to a positive result of EUR of EUR 0.8 million as per 31 December 2022 versus EUR 1.4 million in 2021.

For the period ending 31 December 2021:
Business combination in 2021 but reclassified under discontinued in 2022.

FoamPartner is part of Recticel Engineered Foams and is therefore also disclosed as discontinued.

On 31 March 2021 Recticel acquired 100% of the shares of FoamPartner for an enterprise value of CHF 270 million, CHF 20 million of the price being payable in January 2022. This represents an 8.6x average 2019A-2021F normalized EBITDA multiple. FoamPartner is a global provider of high value-added technical foam solutions in the Mobility, Industrial Specialties and Living & Care markets. There is significant complementarity and synergy upside with Recticel.

FoamPartner was founded in 1937 and has been a member of Conzzeta AG since 1980. It is an innovative polyurethane foams supplier offering over 200 specialty foams and tailored solutions for industrial, mobility and comfort applications. The group is headquartered in Wolfhausen, Switzerland and operates through a footprint of 12 sites located in the USA, China, Germany, Switzerland and France, and a sales network in 58 countries. FoamPartner employs about 1,100 people and generated net sales of CHF 297 million in 2019 and CHF 257 million in 2020.

Recticel combined the FoamPartner business with the Recticel Flexible Foams division, to form the new Engineered Foams business segment. Financing has been secured by a syndicated acquisition facility which was arranged and fully underwritten by KBC Bank and to which Belfius Bank, BNP Paribas Fortis, Commerzbank and LCL confirmed their participation. The acquisition facility has a 3-year tenor with two 1-year extension options.

Details of the purchase consideration are as follows in million CHF and million EUR:

Purchase consideration	IN MILLION CHF	IN MILLION EUR
Purchase consideration	167.9	155.9
Net financial debt	88.8	82.2
Debt-like items and working capital adjustments	13.3	12.2
Total purchase consideration	**270.0**	**250.3**

The change in the total purchase consideration (EUR 250.3 million versus EUR 246.4 million per 30 June 2021) is mainly due to currency impacts (CHF/EUR) and settlements in the closing accounts.

The enterprise value of CHF 270 million (EUR 248.3 million), can be reconciled as follows to the cash flow from investment activities as per 31 December 2021:

in million EUR

Consideration paid	
Total purchase consideration	**250.3**
Debt-like items and working capital adjustments	(12.2)
Deferred payment payable in January 2022	(18.2)
Receivables on Conzzeta AG	
Consideration paid	**219.9**

Compared to 30 June 2021, the receivable on Conzzeta AG has been settled resulting in a consideration paid per 31 December 2021 of EUR 219.9 million.

The assets and liabilities recognized as a result of the acquisition are as follows:

in million EUR

Assets and liabilities	
Customer list	16.3
Other intangible assets	10.4
Property, plant and equipment	178.2
Right-of-use assets	7.4
Inventories	38.2
Trade receivables	54.8
Cash and cash equivalents	19.6
Provisions	-2.9
Employee benefit liabilities (net)	-1.1
Financial liabilities	-103.9
Lease liabilities	-7.4
Trade payables	-30.6
Net deferred taxes	-23.1
Net identifiable assets acquired	**155.9**
Goodwill	0.0
Total net debt, debt-like items and working capital adjustments	94.4
Total purchase consideration – '000 EUR	**250.3**
Total purchase consideration – '000 CHF	**270.0**

The fair value of the acquired customer list and customer contracts of EUR 16.3 million and part of Property, Plant and Equipment of EUR 178.2 million was provisional as per 30 June 2021 and has been finalized per the 31 December 2021 following the receipt of the final valuations for those assets. Other fair value adjustments relate to inventory step up adjustment (EUR 3.4 million) and Marketing and Technology related intangible assets (EUR 4.8 million). Deferred tax liabilities of EUR -24.7 million have been provided for in relation to these fair value adjustments. Next to that, EUR 1.6 million deferred tax assets have been recognized on tax losses caried forward in the US.

Acquisition-related costs
Acquisition-related costs of EUR 3.7 million relate to real estate transfer taxes and advisor fees and are included under "other operating expenses in the income statement as per 31 December 2021.

Revenue and profit contribution
The acquired business contributed revenues of EUR 205.4 million and an adjusted operating profit of EUR 3.1 million and a net result of EUR -5.4 million to the group for the period from 1 April 2021 to 31 December 2021. If the acquisition had occurred on 1 January 2021, consolidated revenue, consolidated adjusted operating profit and consolidated net result (attributable to the owners of the parent) for the year-ended 31 December 2021 would have been EUR 1.103 million, EUR 66.4 million and EUR 28.8 million respectively.

Staff
As a result of the acquisition of FoamPartner the average number of people employed increased by 851 full time equivalents.

The impact of the discontinued operations on the cash flow statement can be found in note 5.1.5 Consolidated cash flow statement.

5.1.4 Business combinations

For the period ending 31 December 2022

On 29 April 2022 Recticel acquired 100% of the shares of Trimo d.o.o., a Slovenian based group, for an enterprise value of EUR 164.3 million. This represents an 9.5x 2021A normalized EBITDA multiple. Trimo is specialized in the production of sustainable premium insulated panels for the construction industry. Predominantly geared towards the industrial and commercial building segments, it perfectly complements the current insulation boards activities of Recticel and is another step in the execution of Recticel's strategy to become a pure Insulation player.

Financing is secured by the existing credit facilities, by the proceeds from the disposal of the Bedding division (closed 31 March 2022) and by a bridge financing loan in anticipation of the closing of the divestment of Engineered Foams.

Trimo was founded in 1961 and has been owned by Innova Capital since early 2016. Trimo was originally established as a manufacturer of thermal insulated panels but gradually developed into a high quality-producer of aesthetic prefabricated building components such as façades, walls, roofs and modular space solutions. The group is headquartered in Trebnje, Slovenia and operates from two sites (Trebnje, Slovenia and Šimanovci, Serbia). It sells its insulated panels and building solutions in more than 60 countries around the world. In 2021, Trimo employed about 480 people and generated net sales of EUR 138.4 million.

Trimo is consolidated in Recticel's financial statements as from 01 May 2022.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

in thousand EUR

Purchase consideration	
Purchase consideration	163,747
Net cash	(850)
Debt-like items and working capital adjustments	1,403
Total purchase consideration	**164,300**

The enterprise value of EUR 164.3 million, can be reconciled as follows to the cash flow from investment activities as per 31 December 2022:

in thousand EUR

Consideration paid	
Total purchase consideration	**164,300**
Net cash	850
Debt-like items and working capital adjustments	(1,403)
Receivables on Innova Capital	312
Consideration paid	**164,058**

The purchase consideration paid by Recticel to Innova Capital for the acquisition of Trimo amounts to EUR 164.1 million. The cash of Trimo acquired by Recticel amounts to EUR 9.3 million as per 30 April 2022. As such, the total consideration, net of cash acquired amounts to EUR 154.6 million (see note 5.1.5 Cash flow statement).

The assets and liabilities recognized as a result of the acquisition are as follows:

in thousand EUR

Assets and liabilities	
Customer list	34,811
Other intangible assets	38,033
Property, plant and equipment	35,238
Inventories	23,958
Trade receivables	24,540
Cash and cash equivalents	9,422
Provisions	(13,209)
Employee benefit liabilities (net)	(1,183)
Financial liabilities	(1,309)
Trade payables	(34,387)
Income tax payables	(497)
Net deferred taxes	(11,760)
Net identifiable assets acquired	**103,656**
Goodwill	60,091
Total net debt, debt-like items and working capital adjustments	553
Total purchase consideration	**164,300**

The goodwill is attributable to Trimo's strong position and profitability in high value-added Insulated Panels solutions in Insulation markets and synergies expected to arise after the company's acquisition of the new subsidiary. The goodwill has been allocated to the cash generating unit "Trimo". None of the goodwill is expected to be deductible for tax purposes.

The fair value of the acquired assets has been finalized as per 31 December 2022. Fair value adjustment relates to inventory step up adjustment (EUR 3.0 million), customer list and customer contracts (EUR 34.8 million), Trademarks and Technology related intangible assets (EUR 34.6 million) and property, plant and equipment (EUR 8.4 million). Deferred tax liabilities of EUR -15.3 million have been recognised in relation to fair value adjustments.

Acquisition-related costs

Acquisition-related cost of EUR 1.1 million related to advisor fees are included in other operating expenses in the income statement as per 31 December 2022.

Revenue and profit contribution

The acquired business contributed revenues of EUR 129.2 million and a net result of EUR 6.2 million to the Group for the period from 1 May 2022 to 31 December 2022.

If the acquisition had occurred on 1 January 2022, consolidated revenue, consolidated adjusted operating profit and consolidated net result (attributable to the owners of the parent) for the year-ended 31 December 2022 would have been EUR 189 million, EUR 18.8 million and EUR 12 million respectively.

As a result of the acquisition of Trimo the average number of people employed increased by 469 full time equivalents.

Dividends

Amounts recognised as distributions to equity holders in the period.

Dividend for the period ending 31 December 2021 of EUR 0.29 per share.

Proposed dividend for the period ending 31 December 2022 of EUR 0.31 per share, leading to a total pay-out of EUR 17,424,610 (2021: EUR 16,229,392), including the portion attributable to the treasury shares (326,800 in total per 31 December 2022).

The proposed dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Basic earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2021 RESTATED	2022
Net profit (loss) for the period (in thousand EUR)	**54,341**	**63,558**
Net profit (loss) from continuing operations	33,950	10,756
Net profit (loss) from discontinued operations	20,391	52,802
Weighted average shares outstanding		
Ordinary shares on 01 January (excluding treasury shares*)	55,416,120	55,636,620
Exercised subscription rights	220,500	245,000
Ordinary shares on 31 December (excluding treasury shares*)	55,636,620	55,881,620
Weighted average shares outstanding	**55,519,330**	**55,799,134**
* Number of treasury shares held per 31 December	326,800	326,800

in EUR

	2021 RESTATED	2022
Basic earnings per share	**0.98**	**1.14**
Basic earnings per share from continuing operations	0.61	0.19
Basic earnings per share from discontinued operations	0.37	0.95

5.2.4.7 Diluted earnings per share

Computation of the diluted earnings per share:

in thousand EUR

	2021 RESTATED	2022
Dilutive elements		
Net profit (loss) from continuing operations	33,950	10,756
Net profit (loss) from discontinued operations	20,391	52,802
Profit (loss) attributable to ordinary equity holders of the parent entity including assumed conversions	**54,341**	**63,558**
Weighted average ordinary shares outstanding	**55,519,330**	**55,799,134**
Stock option plans - subscription rights [1]	763,533	887,680
Weighted average shares for diluted earnings per share	**56,282,863**	**56,686,814**

in EUR

	2021 RESTATED	2022
Diluted earnings per share	**0.97**	**1.12**
Diluted earnings per share from continuing operations	0.60	0.19
Diluted earnings per share from discontinued operations	0.36	0.93

[1] *Per 31 December 2022, all outstanding subscription right plans as from April 2016 till May 2021 are in-the-money. The outstanding subscription right plans which are out-of-the-money are disclosed as anti-dilutive.*

5.2.3 Statement of financial position

5.2.3.1 Intangible assets

For the year ending 31 December 2022:

in thousand EUR

Group Recticel	DEVELOPMENT COSTS	TRADEMARKS, PATENTS & LICENCES	GOODWILL CLIENTELE	GOODWILL ASSET DEAL	CLIENT PORTFOLIO GOODWILL	OTHER INTANGIBLE ASSETS	ASSETS UNDER CONSTRUCTION AND ADVANCE PAYMENTS	TOTAL
At the end of the preceding period								
Gross book value	153	57,195	26,073	(76)	25,997	1,593	5,955	90,893
Accumulated amortisation	(153)	(38,585)	(8,611)	(0)	(8,611)	(1,564)	(102)	(49,014)
Accumulated impairment	0	(6,322)			0	0	(612)	(6,934)
Net book value at the end of the preceding period	**0**	**12,288**	**17,462**	**(76)**	**17,386**	**29**	**5,242**	**34,945**
Movements during the year:								
Business combinations	0	34,561	34,811	0	34,811	3,471	0	72,843
Acquisitions	0	92	0	17	17	417	2,836	3,362
Amortisation	0	(3,763)	(2,911)	(43)	(2,954)	(649)	0	(7,365)
Impairments	0	(3)	0	0	0	0	0	(3)
Sales and scrapped	0	0	0	0	0	0	0	0
Transfers from one heading to another	0	2,546	22	(10)	11	(7)	(2,572)	(22)
Transfer to discontinued operations	0	(8,819)	(17,082)	87	(16,996)	(17)	(1,135)	(26,966)
Exchange rate differences	0	167	400	(0)	400	0	(3)	564
At the end of the current period	**0**	**37,070**	**32,701**	**(26)**	**32,675**	**3,244**	**4,368**	**77,357**
Gross book value	153	64,048	39,036	30	39,066	12,318	5,033	120,618
Accumulated amortisation	(153)	(20,662)	(6,335)	(56)	(6,391)	(9,074)	(53)	(36,333)
Accumulated impairment	0	(6,316)			0	0	(612)	(6,928)
Net book value at the end of the period	**0**	**37,070**	**32,701**	**(26)**	**32,675**	**3,244**	**4,368**	**77,357**
Useful life (in years)	3-5	3-10			5-10	5 maximum	n.a.	

Reference is also made to note 5.2.1.4. - Major sources of estimation uncertainty and key judgments and note 5.2.4.8. – Business combinations.

The acquisitions (EUR 0.2 million) and amortisation movements (EUR -2.0 million) contain the impact of the operations Recticel Engineered Foams until 30/06/2022. As of this date the amounts are transferred to discontinued operations.

In **2022**, the item 'Business combinations' relates to the acquisition of Trimo. Total acquisition of intangible assets amounted to EUR 3.4 million, compared to EUR 4.2 million in 2021.

For the year ending 31 December 2021:

in thousand EUR

	DEVELOPMENT COSTS	TRADEMARKS, PATENTS & LICENCES	GOODWILL CLIENTELE	GOODWILL ASSET DEAL	CLIENT PORTFOLIO GOODWILL	OTHER INTANGIBLE ASSETS	ASSETS UNDER CONSTRUCTION AND ADVANCE PAYMENTS	TOTAL
At the end of the preceding period								
Gross book value	409	49,374	7,728	0	7,728	274	10,331	68,116
Accumulated amortisation	(409)	(37,458)	(7,026)	26	(7,000)	(240)	(190)	(45,298)
Accumulated impairment	0	(6,332)			0	0	(1,681)	(8,013)
Net book value at the end of the preceding period	**0**	**5,584**	**702**	**26**	**728**	**34**	**8,459**	**14,806**
Movements during the year:								
Business combinations	0	4,762	17,763	132	16,347	5,707	0	26,816
Acquisitions	0	2,210	0	14	14	2	2,005	4,231
Amortisation	0	(3,252)	(2,105)	0	(2,105)	(117)	0	(5,473)
Impairments	0	0	0	0	0	0	0	0
Sales and scrapped	0	0	0	0	0	0	0	0
Transfers from one heading to another	0	7,098	235	(248)	65	(5,489)	(653)	1,021
Transfer to discontinued operations	0	(3,156)	42	0	0	0	(4,543)	(7,699)
Exchange rate differences	0	281	825	(0)	867	123	(27)	1,244
At the end of the current period	**0**	**13,527**	**17,462**	**(76)**	**15,916**	**260**	**5,242**	**34,945**
Gross book value	153	58,434	26,073	(76)	24,527	1,824	5,955	90,893
Accumulated amortisation	(153)	(38,585)	(8,611)	(0)	(8,611)	(1,564)	(102)	(49,015)
Accumulated impairment	0	(6,322)			0	0	(612)	(6,934)
Net book value at the end of the period	**0**	**13,527**	**17,462**	**(76)**	**15,916**	**260**	**5,242**	**34,945**
Useful life (in years)	3-5	3-10			5-10	5 maximum	n.a.	

Reference is also made to note 5.2.1.4. – Major sources of estimation uncertainty and key judgments and note 5.2.4.8. – Business combinations.

In **2021**, the item 'Discontinued operations' relates to the discontinued (Bedding), of which impact is included in line item Transfer to discontinued operations. As such total amortisation in the above table comprise EUR -0.6 million related to Bedding (discontinued).

In **2021**, the item 'Business combinations' relates to the acquisition of FoamPartner. Total acquisition of intangible assets amounted to EUR 4.2 million. The investments in intangible assets in 2021 mainly related to "Assets under construction and advance payments" for new developments and licence costs related to the roll-out of the SAP IT platform (EUR 2.1 million).

5.2.5.2 Goodwill

For the year ending 31 December 2022:

Group Recticel	in thousand EUR GOODWILL
At the end of the preceding period	
Gross book value	44,257
Accumulated amortisation	(30,537)
Net book value at the end of the preceding period	**13,721**
Movements during the year:	
Business combinations	60,091
Impairments	0
Sales and scrapped	0
Transfers from one heading to another	0
Transfer to discontinued operations	(10,434)
Exchange rate differences	(159)
At the end of the current period	**63,218**
Gross book value	67,324
Accumulated amortisation	(4,106)
Net book value at the end of the period	**63,218**

For the year ending 31 December 2021:

	in thousand EUR GOODWILL
At the end of the preceding period	
Gross book value	71,556
Accumulated amortisation	(47,417)
Net book value at the end of the preceding period	**24,139**
Movements during the year:	
Business combinations	0
Impairments	0
Sales and scrapped	0
Transfers from one heading to another	0
Transfer to discontinued operations	(11,079)
Exchange rate differences	660
At the end of the current period	**13,721**
Gross book value	44,257
Accumulated amortisation	(30,537)
Net book value at the end of the period	**13,721**

Reference is also made to note 5.2.4.7. Discontinued operations and note 5.2.4.8. Business combinations.

5.2.2.3 Property, plant & equipment

For the year ending 31 December 2022:

in thousand EUR

	LAND AND BUILDINGS	PLANT, MACHINERY & EQUIPMENT	FURNITURE AND VEHICLES	LEASES AND SIMILAR RIGHTS	OTHER TANGIBLE ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL
At the end of the preceding period							
Gross value	299,193	454,788	28,753	0	204	15,689	801,070
Accumulated depreciation	(102,916)	(357,974)	(22,363)	(0)	(139)	0	(485,836)
Accumulated impairments	(304)	(1,524)	0	0	0	0	(1,828)
Net book value at the end of the preceding period	**195,972**	**95,290**	**6,390**	**0**	**65**	**15,689**	**313,406**
Movements during the year							
Business combinations	22,846	11,473	0	0	249	304	34,873
Acquisitions	1,362	1,722	255	0	0	11,356	14,694
Depreciation	(5,941)	(13,786)	(1,570)	0	(4)	0	(21,301)
Impairments	0	(57)	0	0	0	0	(57)
Sales and scrapped	(0)	(330)	(26)	0	(242)	0	(597)
Transfers from one heading to another	800	3,264	738	0	0	(4,635)	166
Transfer to discontinued operations	(149,310)	(63,486)	(3,350)	0	(4)	(16,194)	(232,344)
Exchange rate differences	1,185	599	38	0	(1)	(9)	1,813
At the end of the current period	**66,914**	**34,690**	**2,475**	**0**	**63**	**6,511**	**110,653**
Gross value	96,907	147,265	11,584	0	160	6,511	264,871
Accumulated depreciation	(29,731)	(112,446)	(9,109)	0	(97)	0	(153,826)
Accumulated impairments	(263)	(129)	0	0	0	0	(392)
Net book value at the end of the period	**66,914**	**34,690**	**2,475**	**0**	**63**	**6,511**	**110,653**

Reference is also made to note 5.2.1.4. - Major sources of estimation uncertainty and key judgments, note 5.2.4.7. Discontinued operations and note 5.2.4.8. Business combinations.

The acquisitions (EUR 5.5 million) and depreciation movements (EUR -10.6 million) contain the impact of the operations Recticel Engineered Foams until 30/06/2022. As of this date the amounts are transferred to discontinued operations.

In **2022**, the item 'Business combinations' relates to the acquisition of Trimo. Total acquisitions of tangible assets amounted to EUR 14.7 million, compared to EUR 14.1 million in 2021.

Assets under construction mainly relate to Belgium (EUR 3.6 million), France (EUR 1.1 million), Slovenia (EUR 0.9 million) and United Kingdom (EUR 0.8 million).

At 31 December 2022, the Group had entered into contractual commitments for the acquisition of property, plant & equipment amounting mainly in Belgium to EUR 5.5 million (2021: EUR 0.7 million).

For the year ending 31 December 2021:

in thousand EUR

	LAND AND BUILDINGS	PLANT, MACHINERY & EQUIPMENT	FURNITURE AND VEHICLES	LEASES AND SIMILAR RIGHTS	OTHER TANGIBLE ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL
At the end of the preceding period							
Gross value	195,308	323,510	26,416	0	231	15,507	560,972
Accumulated depreciation	(107,740)	(256,452)	(20,979)	0	(163)	0	(385,335)
Accumulated impairments	(1,012)	(1,624)	(1)	0	0	0	(2,637)
Net book value at the end of the preceding period	**86,555**	**65,434**	**5,436**	**0**	**68**	**15,507**	**173,000**
Movements during the year							
Business combinations	125,791	42,230	3,521	0	0	6,655	178,197
Acquisitions	198	1,436	248	0	6	12,249	14,137
Depreciation	(7,870)	(18,739)	(2,284)	0	(6)	0	(28,899)
Impairments	0	(27)	0	0	0	0	(27)
Sales and scrapped	(711)	(27)	(36)	0	0	0	(773)
Transfers from one heading to another	0	15,195	(0)	0	0	(16,556)	(1,361)
Transfer to discontinued operations	(13,645)	(11,880)	(606)	0	0	(2,394)	(28,526)
Exchange rate differences	5,654	1,667	112	0	(3)	226	7,656
At the end of the current period	**195,972**	**95,290**	**6,390**	**0**	**65**	**15,689**	**313,406**
Gross value	299,231	457,232	28,753	0	204	15,689	801,108
Accumulated depreciation	(102,955)	(360,418)	(22,363)	(0)	(139)	0	(485,875)
Accumulated impairments	(304)	(1,524)	0	0	0	0	(1,828)
Net book value at the end of the period	**195,972**	**95,290**	**6,390**	**0**	**65**	**15,689**	**313,406**

In **2021,** the item 'Discontinued operations' relates to the discontinued (Bedding), of which impact is included in line item Transfer to discontinued operations. Reference is also made to note 5.2.4.7. – Discontinued operations.

In **2021**, the item 'Business combinations' relates to the acquisition of FoamPartner. Total acquisitions of tangible assets amounted to EUR 14.1 million, compared to EUR 21.5 million in 2020 (impacted by COVID-19 pandemic). Assets under construction mainly relate to Belgium (EUR 2.9 million), France (EUR 2.7 million), Germany (EUR 2.4 million), United Kingdom (EUR 1.6 million), Finland (EUR 0.7 million), Spain (EUR 0.7 million), The Netherlands (EUR 0.6 million), Poland (EUR 0.5 million), China (EUR 0.4 million) and Switzerland (EUR 0.4 million).

At 31 December 2021, the Group had entered into contractual commitments for the acquisition of property, plant & equipment amounting to EUR 0.7 million (2020: EUR 0.2 million).

5.2.5.4. Right-of-use assets

For the year ending 31 December 2022:

in thousand EUR

	LAND AND BUILDINGS	PLANT, MACHINERY & EQUIPMENT	FURNITURE AND VEHICLES	TOTAL
At the end of the preceding period				
Gross value	83,434	7,993	11,346	102,773
Accumulated depreciation	(28,325)	(4,774)	(6,676)	(39,775)
Accumulated impairments	(349)	(46)	0	(395)
Net book value at the end of the preceding period	**54,760**	**3,173**	**4,671**	**62,603**
Movements during the year				
Business combinations	0	295	70	365
Adjustment for reassessment of assumptions on dismantling and restoration costs	0	0	0	0
New leases	370	1,346	1,027	2,742
Lease reassessment	(906)	201	555	(150)
Depreciation	(4,427)	(1,107)	(2,031)	(7,565)
Impairments	(987)	0	0	(987)
Ended contracts	(126)	0	(304)	(430)
Transfers from one heading to another	21	(171)	635	485
Transfer to discontinued operations	(26,559)	(3,224)	(2,328)	(32,111)
Exchange rate differences	125	(33)	(38)	53
At the end of the period	**22,269**	**479**	**2,257**	**25,004**
Gross value	39,521	1,686	5,311	46,518
Accumulated depreciation	(16,143)	(1,207)	(3,054)	(20,404)
Accumulated impairments	(1,109)	0	0	(1,109)
Net book value at the end of the period	**22,269**	**479**	**2,257**	**25,004**
Contractual tenor (in years)	6 - 12	3 - 12	4	

Reference is also made to note 5.2.4.7. Discontinued operations and to note 5.2.4.8. – Business combinations.

The new leases (EUR 1.7 million) and depreciation movements (EUR -4.5 million) contain the impact of the operations Recticel Engineered Foams until 30/06/2022. As of this date the amounts are transferred to discontinued operations.

The weighted average underlying incremental borrowing rate of the right-of-use asset agreements per 31 December 2022 was 1.48% (3.0% per 31 December 2021).

For the year ending 31 December 2021:

in thousand EUR

	LAND AND BUILDINGS	PLANT, MACHINERY & EQUIPMENT	FURNITURE AND VEHICLES	TOTAL
At the end of the preceding period				
Gross value	91,380	8,404	14,253	114,037
Accumulated depreciation	(27,282)	(3,938)	(7,073)	(38,293)
Accumulated impairments	(321)	(46)	0	(367)
Net book value at the end of the preceding period	**63,777**	**4,419**	**7,180**	**75,377**
Movements during the year				
Business combinations	7,254	29	122	7,405
Adjustment for reassessment of assumptions on dismantling and restoration costs	3,870	0	0	3,870
New leases	107	196	3,296	3,599
Lease reassessment	5,108	385	560	6,053
Depreciation	(8,542)	(1,740)	(4,521)	(14,804)
Impairments	0	0	0	0
Ended contracts	(2,070)	(95)	(532)	(2,697)
Transfers from one heading to another	0	0	0	0
Transfer to discontinued operations	(15,949)	(195)	(1,502)	(17,646)
Exchange rate differences	1,206	174	67	1,446
At the end of the period	**54,760**	**3,173**	**4,670**	**62,603**
Gross value	83,510	7,993	11,346	102,849
Accumulated depreciation	(28,401)	(4,774)	(6,676)	(39,851)
Accumulated impairments	(349)	(46)	0	(395)
Net book value at the end of the period	**54,759**	**3,173**	**4,671**	**62,603**
Contractual tenor (in years)	6 - 12	3 - 12	4	

Reference is also made to note 5.2.4.7. – Discontinued operations.

The above figures contain the impact of the discontinued operations (Bedding), of which impact is included in line item Transfer to assets held for sale. As such total depreciation in the above table comprise EUR -0.3 million related to Bedding (discontinued).

The item Lease reassessment relates mainly to the reassessment of the economic lifetime of the leased buildings in the United Kingdom (EUR 3.6 million) and in the United States (EUR 1.3 million).

The weighted average underlying incremental borrowing rate of the right-of-use asset agreements per 31 December 2021 was 3.0% (3.7% per 31 December 2020).

At 31 December **2021**, the Group had entered into contractual commitments for the acquisition of right-of-use assets amounting to EUR 0.9 million.

The below table comprises the recognised lease charge during the financial period.

in thousand EUR

	2021 RESTATED	2022
Low value leases	0	1
Short term leases	0	0
Services under leases	1,168	1,254
Other considerations	75	0
Total leases	**1,243**	**1,255**

8.2.2.3 Subsidiaries, joint ventures, associates and other associates

Unless otherwise indicated, the percentage shareholdings shown below are identical to the percentage voting rights.

1. SUBSIDIARIES CONSOLIDATED ACCORDING TO THE FULL CONSOLIDATION METHOD

		% shareholding in	
		31 DEC 2021	31 DEC 2022
Austria			
Sembella GmbH	Aderstrasse 35 - 4850 Timelkam	100.00	(a)
Bulgaria			
Trimo Bulgaria OOD	Kan Asparu str. 7, Triaditza District, Sofia City, Bulgaria	-	70.00 (c)
Belgium			
s.c. sous forme de s.a. Balim b.v. onder vorm van n.v.	Bourgetlaan 42 - 1130 Haren	100.00	100.00
s.a. Finapal n.v.	Bourgetlaan 42 - 1130 Haren	100.00	100.00
s.a. Recticel International Services n.v.	Bourgetlaan 42 - 1130 Haren	100.00	100.00
s.a. Recticel Engineered Foam Belgium n.v.	Bourgetlaan 42 - 1130 Haren	-	100.00 (b)
Recticel Bedding Belgium b.v.	Diebeke, 20 - 9500 Geraardsbergen	100.00	(a)
China			
Recticel Foams (Shanghai) Co Ltd	525, Kang Yi Road - Kangyiao Industrial Zone, 201315 Shanghai	100.00	100.00 (b)
Recticel Foams (Shanghai) Co Ltd	No 30, Wanquan Road; Xishan Economic and Technological Developement Zone, Wuxi City	100.00	100.00 (b)
FoamPartner Polyurethane Materials (Changzhou) Co., Ltd.	330, Huanghe Road (West) - Changzhou City - 213000 Changzhou	100.00	100.00 (b)
FoamPartner Trading (Shanghai) Ltd	HiTech Plaza 2410, No. 488 Wuning Rd (South) - 200042 Shanghai	100.00	100.00 (b)
Estonia			
Recticel ou	Peterburi tee 48a - 11415 Talinn	100.00	100.00 (b)
Finland			
Recticel oy	Nevantie 2, 45100 Kouvola	100.00	100.00 (b)
Recticel Insulation oy	Gneissitie, 2 - 04600 Mäntsälä	100.00	100.00

		% shareholding in	
		31 DEC 2021	31 DEC 2022
France			
Recticel s.a.s.	71, avenue de Verdun - 77470 Trilport (since 1 March 2019)	100.00	100.00 (b)
Recticel Insulation s.a.s.	1, rue Ferdinand de Lesseps - 18000 Bourges	100.00	100.00
Frina Mousse sàrl (in liquidation)	1 Rue Jasmin, 68270 Wittenheim	100.00	100.00
Germany			
Recticel Deutschland Beteiligungs GmbH	Schlaraffiastrasse 1-10 - 44867 Bochum 6 - Wattenscheid	100.00	100.00
Recticel Grundstücksverwaltung GmbH	Schlaraffiastrasse 1-10 - 44867 Bochum 6 - Wattenscheid	100.00	100.00
Recticel Engineered Foams GmbH (formely Recticel Dämmsysteme GmbH)	Schlaraffiastrasse 1-10 - 44867 Bochum 6 - Wattenscheid	100.00	100.00 (b)
Recticel Schlafkomfort GmbH	Schlaraffiastrasse 1-10 - 44867 Bochum 6 - Wattenscheid	100.00	(a)
Recticel Verwaltung GmbH & Co. KG	Schlaraffiastrasse 1-10 - 44867 Bochum 6 - Wattenscheid	100.00	100.00
Trimo DE GmbH	Regus Office Center- Stadttor Ost, Rudolf-Diesel-Strasse 11, 69115 Heidelberg	-	100.00 (c)
Luxembourg			
Recticel RE s.a.	23, Avenue Monterey, L-2163 Luxembourg	100.00	100.00
Recticel Luxembourg s.a.	23, Avenue Monterey, L-2163 Luxembourg	100.00	100.00
India			
Recticel India Private Limited	407, Kapadia Chambers, 599 JSS Road, Princess Street, Marine Lines (East), 400002 Mumbai Maharashtra	100.00	100.00 (b)
Macedonia			
Trimo Makedonija, DOOEL	ul. Belasica broj 2, Skopski saem, 1000 Skopje	-	100.00 (c)
Morroco			
Recticel Maroc s.à.r.l.a.u.	Ilot K, Module 4, Atelier 2, Zone Franche d'Exportation de Tanger	100.00	100.00 (b)

		% shareholding in	
		31 DEC 2021	31 DEC 2022
The Netherlands			
Recticel B.V.	Spoorstraat 69 – 4041 CL Kesteren	100.00	100.00
Recticel Engineered Foams Netherlands B.V.	Spoorstraat 69 – 4041 CL Kesteren		100.00 (b)
Recticel International B.V.	Spoorstraat 69 – 4041 CL Kesteren	100.00	100.00
Trimo Benelux B.V.	Dorpstraat 63, 5761 BM Bakel	-	100.00 (c)
Norway			
Recticel AS	Øysand – 7224 Mehus	100.00	100.00 (b)
Poland			
Recticel Sp. z o.o.	ul. Graniczna 60, 93-428 Lodz	100.00	(a)
Recticel Insulation Materials S z.o.o.	ul. Lakowa 29, 90-554 Lodz		100.00
Recticel International Services Sp.z..o.o.	ul. Lakowa 29, 90-554 Lodz	100.00	100.00
Trimo Polska, sp. z.o.o.	ul. Obrzezna 5, 02-691 Warsaw	-	100.00
Romania			
Recticel Bedding Romania s.r.l.	Miercurea Sibiului, DN1, FN, ground floor room 2 3933 Sibiu County	100.00	(a)
Serbia			
Trimo Inzenjering d.o.o.	Novo naselje 9, 22310 Simanovci	-	100.00 (c)
Singapore			
FoamPartner Singapore Pte. Ltd	8, Ubi Road 2, #07-21 Zervex	100.00	100.00 (b)
Slovenia			
Trimo d.o.o.	Prijateljeva cesta 12, 8210 Trebnje	-	100.00 (c)
Trimo MSS d.d.	Prijateljeva cesta 12, 8210 Trebnje	-	100.00 (c)
Tinde d.o.o.	Prijateljeva cesta 12, 8210 Trebnje	-	100.00 (c)
Turvac d.o.o.	Primorska 6b, 3325 Šoštanj	74.00	74.00

		% shareholding in	
		31 DEC 2021	31 DEC 2022
Sweden			
Recticel AB	Södra Storgatan 50 b.p. 507 – 33228 Gislaved	100.00	100.00 (b)
Recticel Insulation AB	Södra Storgatan 50 b.p. 507 – 33228 Gislaved	–	100.00
Spain			
Recticel Iberica s.l.	P.I. Concentració Ind. Vallesana, Avda. Riu Mogent 6, 08170 Montornès del Vallès	100.00	100.00 (b)
Switzerland			
Recticel Bedding (Schweiz) AG	Bettenweg 12 Postfach 65 – 6233 Büron – Luzern	100.00	(a)
Recticel Engineered Foams Switzerland AG	Oberwolfhauserstrasse 9 – 8633 Wolfhausen	100.00	100.00 (b)
FoamPartner Holding AG	c/o Sielva Management SA – Gubelstrasse 11 – 6300 Zug	100.00	100.00 (b)
Turkey			
Recticel Teknik Sünger Izolasyon Sanayi ve Ticaret a.s.	Orta Mahalle, 30 – 34956 Istanbul	100.00	100.00 (b)
United Kingdom			
Gradient Insulations (UK) Limited	Blue Bell Close Clover Nook Industrial Park – DE554RD Alfreton	100.00	100.00
Recticel (UK) Limited	Blue Bell Close Clover Nook Industrial Park – DE554RD Alfreton	100.00	(d)
Recticel Limited	Blue Bell Close Clover Nook Industrial Park – DE554RD Alfreton	100.00	100.00 (b)
Recticel Enginereed Foams Corby	83/84 Manton Road Earlestress Industrial Estate, Corby, Northamptonshire UK NN174JL	–	100.00 (b)
Recticel Insulation UK ltd	Enterprise way Whittle Road, Meir Park, Stoke-on-Trent, ST3 7UN	–	100.00
Trimo UK ltd	Highview House 1st Floor, Tottenham Cresent, Epson, Surrey, KT185QJ	–	100.00
United States of America			
FoamPartner Americas Inc	2923 Technology Drive – Rochester Hills, MI 48309	100.00	100.00 (b)
The Soundcoat Company Inc.	Burt Drive 1 PO Box 25990 – NY 11729 Deer Park County of Suffolk	100.00	100.00 (b)
United Arab Emirates			
Trimo DCS FZE	Fujairah Free Zone 2, Fujairah	–	100.00 (c)

(a) Entity part of the disposal of the Bedding activites
(b) Entity that will be discontinued following the disposal of the Recticel Engineered Foams activities
(c) Entity part of the Acquisition of Trimo
(d) Liquidated

Significant restrictions to realise assets or settle liabilities

Recticel NV/SA, or some of its subsidiaries have provided guarantees for (i) an aggregate amount of EUR 1.2 million in favour of OVAM regarding the sanitation and rehabilitation projects on some of its sites and/or sites of its subsidiaries, (ii) an aggregate amount of EUR 0.8 million in favour of the Walloon Département du Sol et des Déchets – DSD, and (iii) and aggregate amount of EUR 2.2 million in favour of various local public entities in France (Préfectures).

Recticel NV/SA also provides guarantees and comfort letters (for a total amount of EUR 42.6 million) to and/or on behalf of various direct or indirect subsidiaries, of which the material (> EUR 1 million) ones are:

- on behalf of Recticel Verwaltung GmbH: EUR 5.0 million;
- on behalf of Recticel Insulation s.a.s. in the framework of a real estate lease: EUR 13.0 million;
- on behalf of Recticel Insulation OY: EUR 15.5 million in the framework of a real estate investment loan;
- on behalf of Recticel International Services s.a./n.v.: EUR 3.0 million.

Under the syndicated credit facility agreement, the maximum dividend authorised for distribution, excluding the portion attributable to the treasury shares, amounts to the highest of (i) 50% of the consolidated net income of the Group for the previous financial year and (ii) EUR 14.0 million.

The gross dividend over 2022 – to be paid in 2023 – proposed to the Annual General Meeting amounts to EUR 0.31 per share, leading to a total dividend pay-out of EUR 17.4 million (excluding treasury shares). This amounts is below the above-mentioned 50% maximum pay-out limit.

2. ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

		% shareholding in	
		31 DEC 2021	31 DEC 2022
Germany			
Proseat Europe GmbH	Hessenring 32 - 64546 Mörfelden-Walldorf	25.00	-
TEMDA2 GmbH	Gut Hochschloss 1 - 82396 Pähl	49.00	49.00
Italy			
Orsa Foam S.p.a.	Via A. Colombo, 60 21055 Gorla Minore (VA) - Italy	33.00	33.00 (a)

(a) Entity that will be discontinued following the disposal of the Recticel Engineered Foams activities

Apart of having the approval from the controlling shareholder(s) to distribute dividends, there are no specific restrictions on the ability of associates to transfer funds to Recticel in the form of cash dividends, or to repay loans or advances made by Recticel.

Recticel NV/SA also provides guarantees and comfort letters, for a total amount of EUR 47.0 million, to and/or on behalf of various direct or indirect joint ventures, of which the material (> EUR 1 million) ones are:

- on behalf of TEMDA2 GmbH: EUR 25.0 million;
- on behalf of various Automotive Interiors companies: EUR 20.0 million; and
- on behalf of Orsafoam: EUR 2.0 million.

3. NON-CONSOLIDATED ENTITIES

Some subsidiaries more than 50% controlled are not consolidated because they are (still) non-material. As soon as they have reached a sufficient size, however, they will be included in the scope of consolidation.

		% shareholding in	
		31 DEC 2021	31 DEC 2022
Czech Republic			
Matrace Sembella s.r.o. (liquidated)	Hrabinská 498/19 - 73701 Český Tesín	100.00	0.00
China			
Recticel Shanghai Ltd	No. 518, Fute North Road, Waigaoqiao Free Trade Zone - 200131 Shanghai	100.00	100.00

5.2.5.3 Interests in joint ventures, associates and other associates

A list of the significant investments in joint ventures and associates is included in note 5.2.5.5.

in thousand EUR

	JOINT VENTURES	ASSOCIATES	OTHER ASSOCIATES	31 DEC 2021	JOINT VENTURES	ASSOCIATES	OTHER ASSOCIATES	31 DEC 2022
At the end of the preceding period	**0**	**12,351**	**11,030**	**23,381**	**0**	**12,709**	**10,361**	**23,070**
Movements during the year								
Capital increase	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Remeasurement gains/losses on defined benefit plans	0	0	0	0	0	0	0	0
Income tax relating to components of other comprehensive income	0	0	0	0	0	0	0	0
Other comprehensive income net of tax	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Group's share in the result for the period	0	371	(682)	(311)	0	782	(841)	(59)
Translation differences	0	0	0	0	0	0	0	0
Comprehensive income for the period	**0**	**371**	**(682)**	**(311)**	**0**	**782**	**(841)**	**(59)**
Dividends distributed	0	0	0	0	0	0	0	0
Change in scope	0	0	0	0	0	0	0	0
Reclassification to assets held for sale	0	0	0	0	0	(13,491)	0	(13,491)
Impairment	0	0	0	0	0	0	0	0
Other	0	(13)	13	0	0	0	0	0
At the end of the period	**0**	**12,709**	**10,361**	**23,070**	**0**	**0**	**9,520**	**9,520**

In **2022**, Orsafoam has been reclassified to assets held for sale and Proseat has been fully divested in April 2022 through the exercise of the put option.

In **2021**, only the result of TEMDA2 GmbH is recognised. As Recticel's investment in Proseat is reduced to zero as per 31 December 2020, additional losses are recognised by a provision (liability) only to the extent that Recticel has legal or constructive obligations or made payments on behalf of Proseat. As Recticel does not have such obligation, the loss of Proseat in 2021 did not result in an additional loss in the consolidated accounts of Recticel.

Pro forma key figures for associates and other associates: (on a 100% basis)

in thousand EUR

	ASSOCIATES		OTHER ASSOCIATES			
	ORSAFOAM		PROSEAT		TEMDA2	
	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022
Aggregated figures (sum of individual company ledgers before eliminations)						
Non-current assets	40,874	0	89,172	N/A	65,756	57,514
Current assets	84,473	0	69,764	N/A	67,137	67,733
Total assets	**125,347**	**0**	**158,936**	**N/A**	**132,893**	**125,247**
Non-current liabilities	(14,695)	0	(71,510)	N/A	(60,975)	(52,492)
Current liabilities	(56,513)	0	(101,198)	N/A	(44,134)	(47,371)
Total liabilities	**(71,208)**	**0**	**(172,708)**	**N/A**	**(105,109)**	**(99,863)**
Net equity	**54,139**	**0**	**(13,772)**	**N/A**	**27,784**	**25,384**
Revenue	**109,224**	**0**	**220,084**	**N/A**	**147,906**	**146,769**
Profit or (loss) of the period	**1,734**	**0**	**(38,058)**	**N/A**	**1,151**	**(2,400)**

Orsafoam is part of the Recticel Engineered Foams activities. Due to the application of IFRS5 Orsafoam is reported under discontinued operations. Proseat has been fully divested in April 2022 through the exercise of the put option.

in thousand EUR

	ORSAFOAM		PROSEAT		TEMDA2	
	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022
Net equity (Group share)	**17,866**	**0**	**(3,443)**	**N/A**	**13,614**	**12,438**
Reversal of real estate revaluation	(4,727)	0	0	N/A	0	0
Corrections on opening balance	78	0	0	N/A	(3,223)	(2,918)
Impairment	0	0	(5,524)	N/A	0	0
Other	(508)	0	8,967	N/A	(30)	0
Carrying amount of interests in associate	**12,709**	**0**	**0**	**N/A**	**10,361**	**9,520**

Orsafoam is part of the Recticel Engineered Foams activities. Due to the application of IFRS5 Orsafoam is reported under assets classified as held for sale. Proseat has been fully divested in April 2022 through the exercise of the put option.

The Group did not incur significant contingent liabilities for its interests in associates or other associates.

In **2021** Proseat released a loss of EUR -13.8 million (or EUR -3.4 million for Recticel's share). As Recticel recognised an impairment loss of EUR -5.5 million at the end of 2021, as a result of which the investment in Proseat was reduced to zero, the fully-year 2021 income statement was not impacted by the loss of Proseat. No losses for Proseat will be recognized due to the fact that Recticel doesn't provide any financial support any longer, with exception to the provision that was made in connection to the exercise of the option (EUR 2.3 million).

5.2.3.7 Other financial assets

in thousand EUR

	31 DEC 2021	31 DEC 2022
Financial investments	**610**	**500**
Loans to affiliates	10,207	11,068
Other loans	1,380	219
Non-current financial receivables	**11,588**	**11,287**
Cash advances and deposits	576	101
Other receivables	1,044	312
Non-current other receivables	**1,620**	**413**
Derivatives - Option valuation	0	(2)
Total	**13,818**	**12,198**

The item 'Loans to affiliates' relates mainly to a new loan to TEMDA2 (EUR 11.1 million). The item 'Other loans' relates to loans granted by Recticel Insulation SAS, France EUR 0.2 million to some of its employees.

The carrying amounts of these non-current receivables approximate the fair value since the interest rate is a variable rate in line with market conditions.

The maximum exposure to credit risk equals to the carrying amounts of these assets as recognised on the statement of financial position.

There are no due but unpaid receivables, nor impairments on the outstanding receivables. There are no specific guarantees offered for the outstanding receivables.

The item 'Cash advances and deposits' are mainly related to guarantees provided for rents and supplies (water, electricity, telecom, waste treatment, ...).

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5.2.2 Inventories

in thousand EUR

	31 DEC 2021	31 DEC 2022
Raw materials & supplies - Gross	66,366	38,944
Raw materials & supplies - Amounts written off	(3,753)	(665)
Raw materials & supplies	**62,613**	**38,278**
Work in progress - Gross	10,440	652
Work in progress - Amounts written off	(388)	(16)
Work in progress	**10,053**	**636**
Finished goods - Gross	38,503	14,454
Finished goods - Amounts written off	(1,749)	(294)
Finished goods	**36,753**	**14,160**
Traded goods - Gross	3,373	1,385
Traded goods - Amounts written off	(242)	(362)
Traded goods	**3,130**	**1,022**
Down payments - Gross	21	113
Down payments - Amounts written off	0	0
Down payments	**21**	**113**
Contracts in progress - Gross	328	0
Contracts in progress - Gross - Moulds	0	0
Contracts in progress	**328**	**0**
Total inventories	**112,897**	**54,210**
Amounts written-off on inventories during the period	(7,084)	(2,534)
Amounts written-back on inventories during the period	7,140	1,862

Total inventories in 2022 decreased due to the application of IFRS5 on Recticel Engineered Foams. On 31/12/2021 the Recticel Engineered Foams inventory amounted to EUR 77.9 million. The decrease is compensated by Business combination Trimo for EUR 19.7 million.

5.2.2 Contract assets and contract liabilities

The following schedule presents the overview of contract assets and liabilities following application of IFRS 15 and includes both the impact of the opening balance and the movements of the period.

For the year ending 31 December 2022:

in thousand EUR

	OPENING BALANCE	CONSIDERATION PAYABLE TO CUSTOMERS	RELEASE TO INCOME STATEMENT	RECLASSIFICATION	EXCHANGE DIFFERENCES	TRANSFER TO DISCONTINUED OPERATIONS	CHANGE IN SCOPE	CLOSING BALANCE AT THE END OF THE PERIOD
Non-current contract assets - Consideration payable to a customer	0	0	0	0	0	0	0	0
Non-current contract assets - Contracts in progress Moulds	0	0	0	0	0	0	0	0
Non-current contract assets - Contracts in progress Tooling & Packaging	0	0	0	0	0	0	0	0
Non-current contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Current contract assets - Consideration payable to a customer	0	0	0	0	0	0	0	0
Current contract assets - Contracts in progress Moulds	0	0	0	0	0	0	0	0
Current contract assets - Contracts in progress Tooling & Packaging	0	0	0	0	0	0	0	0
Current contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Non-current contract liabilities - Mould revenue recognition before SOP (start of production)	0	0	0	0	0	0	0	0
Non-current contract liabilities - Mould revenue recognition after SOP (start of production)	0	0	0	0	0	0	0	0
Non-current contract liabilities - Tooling & Packaging revenue recognition before SOP (start of production)	0	0	0	0	0	0	0	0
Non-current contract liabilities - Tooling & Packaging revenue recognition after SOP (start of production)	0	0	0	0	0	0	0	0
Non-current contract liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Contract liabilities - Expected rebates and volume discounts	9,081	0	(202)	272	(267)	(2,145)	848	7,587
Contract liabilities - Long term agreements	0	0	0	0	0	0	0	0
Contract liabilities - Moulds revenue recognition	0	0	0	0	0	0	0	0
Contract liabilities - Tooling & Packaging revenue recognition	0	0	0	0	0	0	0	0
Current contract liabilities	**9,081**	**0**	**(202)**	**272**	**(267)**	**(2,145)**	**848**	**7,587**
Total contract liabilities	**9,081**	**0**	**(202)**	**272**	**(267)**	**(2,145)**	**848**	**7,587**

The decrease of the contract liabilities is mainly explained by the transfer to discontinued of the Recticel Engineered Foams activities.

For the year ending 31 December 2021:

in thousand EUR

	OPENING BALANCE	CONSIDERATION PAYABLE TO CUSTOMERS	RELEASE TO INCOME STATEMENT	RECLASSIFICATION	EXCHANGE DIFFERENCES	TRANSFER TO DISCONTINUED OPERATIONS	CHANGE IN SCOPE	CLOSING BALANCE AT THE END OF THE PERIOD
Non-current contract assets - Consideration payable to a customer	0	0	0	0	0	0	0	0
Non-current contract assets - Contracts in progress Moulds	0	0	0	0	0	0	0	0
Non-current contract assets - Contracts in progress Tooling & Packaging	0	0	0	0	0	0	0	0
Non-current contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Current contract assets - Consideration payable to a customer	0	0	0	0	0	0	0	0
Current contract assets - Contracts in progress Moulds	0	0	0	0	0	0	0	0
Current contract assets - Contracts in progress Tooling & Packaging	0	0	0	0	0	0	0	0
Current contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Non-current contract liabilities - Mould revenue recognition before SOP (start of production)	0	0	0	0	0	0	0	0
Non-current contract liabilities - Mould revenue recognition after SOP (start of production)	0	0	0	0	0	0	0	0
Non-current contract liabilities - Tooling & Packaging revenue recognition before SOP (start of production)	0	0	0	0	0	0	0	0
Non-current contract liabilities - Tooling & Packaging revenue recognition after SOP (start of production)	0	0	0	0	0	0	0	0
Non-current contract liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Contract liabilities - Expected rebates and volume discounts	15,183	0	7,178	(6,175)	424	(7,964)	435	9,081
Contract liabilities - Long term agreements	0	0	0	0	0	0	0	0
Contract liabilities - Moulds revenue recognition	0	0	0	0	0	0	0	0
Contract liabilities - Tooling & Packaging revenue recognition	0	0	0	0	0	0	0	0
Current contract liabilities	**15,183**	**0**	**7,178**	**(6,175)**	**424**	**(7,964)**	**435**	**9,081**
Total contract liabilities	**15,183**	**0**	**7,178**	**(6,175)**	**424**	**(7,964)**	**435**	**9,081**

The decrease of the contract liabilities is mainly explained by the transfer to discontinued of the Bedding activities.

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3.2.12 Trade receivables, other receivables and other financial assets

	in thousand EUR	
	31 DEC 2021	31 DEC 2022
Trade receivables	146,563	67,473
Loss allowance for expected credit losses	(4,967)	(3,372)
Total trade receivables	**141,596**	**64,102**
Other receivables [1]	**11,324**	**7,576**
Derivatives (forward exchange contracts)	180	627
Loans carried at amortised cost	4,365	1,652
Other financial assets [2]	**4,545**	**2,279**
Other receivables and other financial assets [1][2]	**15,869**	**9,855**

Trade receivables at the reporting date 2022 comprise amounts receivable from the sale of goods and services for EUR 64.1 million (2021: EUR 141.6 million). The decrease is due to the application of IFRS5 on Recticel Engineered Foams. On 31/12/2021 the Recticel Engineered Foams Trade receivables amounted to EUR 89.1 million. The decrease is compensated by Business combination Trimo for EUR 16.2 million.

In 2022, other receivables amounting to EUR 7.6 million relate to (i) VAT receivable (EUR 2.9 million), (ii) advances paid to third parties for operating costs spread over several financial years (EUR 1.6 million), (iii) prepayments, tax credits and subsidies, and contractual commitments with co-contractors (EUR 3.1 million).

In 2021, other receivables amounting to EUR 11.3 million relate to (i) VAT receivable (EUR 4.5 million), (ii) advances paid to third parties for operating costs spread over several financial years (EUR 2.9 million), (iii) prepayments, tax credits and subsidies, and contractual commitments with co-contractors (EUR 3.9 million).

In 2022, other financial assets (EUR 2.3 million) mainly consist mainly of, a receivable of EUR 1.2 million (2021: EUR 3.2 million) relating to the continuing involvement under non-recourse factoring programs in Belgium, France and The Netherlands and loans of EUR 1.0 million to other associates (2021: EUR 0.6 million).

In 2021, other financial assets (EUR 4.5 million) mainly consist mainly of, a receivable of EUR 3.2 million relating to the continuing involvement under non-recourse factoring programs in Belgium, France and The Netherlands and loans of EUR 0.6 million to other associates.

Factoring

To confine credit risks, non-recourse factoring programs were established for a total amount of EUR 25.2 million, which EUR 13.2 million was drawn down per 31 December 2022.

	in thousand EUR	
	31 DEC 2021	31 DEC 2022
Factoring without recourse		
Gross amount	(28,361)	(14,477)
Continuing involvement	3,198	1,239
Net amount	**(25,162)**	**(13,237)**
Retention amount recognized in debt	0	0
Total amount factoring without recourse	**(25,162)**	**(13,237)**

The average outstanding amounts of receivables vary between 10% and 15% of total sales. A strict credit follow-up is organised through a centralised credit management organisation.

The continuing involvement represents the retention of contractual rights as specified in the terms and conditions under the factoring agreement.

Movement in loss allowance for expected credit losses:

	in thousand EUR	
	31 DEC 2021	31 DEC 2022
At the end of the preceding period	**(5,599)**	**(4,967)**
Additions	(124)	(477)
Reversals	479	445
Non-recoverable amounts	10	13
Reclassification	247	(163)
Exchange differences	36	(20)
Change in scope	(1,007)	(2,750)
Transfer to assets held for sale	991	4,546
Total at the end of the period	**(4,967)**	**(3,372)**

The non-recoverable amounts refer to trade receivable balances which have been written-off as the Group considers that these are not recoverable. The change in scope is mainly related to business combination Trimo.

5.2.3. Cash and cash equivalents

Cash and cash equivalents include cash held by the Group and short-term bank deposits with an original maturity of three months and less. The carrying amount of these assets approximates to their fair value. There are no specific restrictions that apply to cash and cash equivalents

5.2.4. Assets and Liabilities held for sale and discontinued operations

Discontinued operations

In **2022** this item relates to Recticel Engineered Foams currently in the process of being sold. Reference is made note 5.2.4.7.

In **2021** this item relates to the Bedding activities which were sold to Aquinos. Reference is made note 5.2.4.7.

5.2.5. Share capital

in thousand EUR

Group Recticel	2021	2022
Number of shares		
Number of shares issued and fully paid at 01 January	55,742,920	55,963,420
Number of shares issued and fully paid at 31 December	55,963,420	56,208,420
of which number of treasury shares at 31 December	326,800	326,800

in thousand EUR

Group Recticel	31 DEC 2021	31 DEC 2022
Issued and fully paid shares	139,357	139,909

The change in share capital is explained by the exercise of subscription rights in 2022.

Recticel manages its share capital, without any corrections or adjustments. There are no external capital restrictions applicable on the share capital, except for the 'syndicated revolving credit financing facility and the acquisition financing facility, which are subject to some financial covenants. One covenant limits the annual dividend payment to highest of (i) 50% of the consolidated net income of the Group for the previous financial year and (ii) EUR 14.0 million.

5.2.14 Employee benefit liabilities

in thousand EUR

	31 DEC 2021	31 DEC 2022
Post-employment benefits: defined benefit plans	36,572	12,783
Other long-term benefits and termination benefits	2,563	424
Net liabilities at 31 December	**39,135**	**13,207**

Post-employment benefits: defined benefit plans

Over 98% of the defined benefit obligation is concentrated in three countries: Belgium (49%), United Kingdom (42%), and Germany (7%).

Within these three countries Recticel operates funded and unfunded defined benefit retirement plans. These plans typically provide retirement benefits related to remuneration and period of service. The following information describes the largest retirement plans, which make up 91% of the total defined benefit obligation.

in thousand EUR

	DEFINED BENEFIT OBLIGATION	ASSETS	FUNDED STATUS	ADJUSTMENT DUE TO ASSET CEILING/ ADDITIONAL LIABILITY UNDER IFRIC 14	NET LIABILITY/ (ASSET)
Belgium	31,324	(26,030)	5,294	0	5,294
United Kingdom	27,017	(28,301)	(1,284)	3,623	2,339
Germany	4,475	(621)	3,854	0	3,854
Other countries	1,296	0	1,296	0	1,296
Total	**64,112**	**(54,952)**	**9,160**	**3,623**	**12,783**

Belgium

The defined benefit and hybrid pension plans in Belgium are plans funded through group insurances. Only the employer pays contributions to fund the plans. The defined benefit plans are closed for new employees since 2003; most hybrid plans are still open to new employees. The plans function in, and comply with, a regulatory framework and comply with the local minimum funding requirements. Plan participants are entitled to a lump sum on retirement at age 65. The pension benefits provided by the plans are related to the employees' salary. Active members also receive a benefit on death in service. The assumed form of benefit payment is in all cases a lump sum, but the plans foresee the option to convert to annuity.

United Kingdom

Recticel sponsors one defined benefit plan in the United Kingdom. It is a funded pension plan which is closed to new entrants and to further accrual of benefits for existing members. The plan is governed via a trust which is legally separate from Recticel and is administered by a board of Trustees composed of both employer-appointed and member-nominated Trustees. The Trustees are required by law to act in the interest of the beneficiaries of the plan, and are responsible for the investment policy in respect of plan assets and for the day-to-day administration of the benefits. The plan functions in and complies with a regulatory framework and is subject to local minimum funding requirements. Under the plan, participants are entitled to annual pensions on retirement at age 65 based on the final pensionable salary and the years of service. Members also receive benefits on death.

UK legislation requires that the liabilities of defined benefit pension schemes are calculated for funding purposes on a prudent basis. The last funding valuation of the plan was carried out as at 31 December 2019 and showed a deficit of GBP 3.0 million. A new recovery plan was agreed in March 2021 to eliminate this deficit by 31 October 2022. Recticel agreed to pay a total amount of GBP 5.4 million as recovery contributions during the period 01 January 2021 to 31 December 2024. The outstanding amount at 31 December 2022 is GBP 2.2 million.

- **Risks associated with defined benefit pension plans**

The most significant risks associated with Recticel's defined benefit plans are:

Asset volatility: The liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit. The schemes hold a significant proportion of equities which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to equities is monitored to ensure it remains appropriate given the long-term obligations.

Changes in bond yields: A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes, although this will be partially offset by an increase in the value of the bond holdings.

Inflation risk: The benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in some cases, caps on the level of inflationary increases are in place to protect against extreme inflation). Most of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy: Many of the obligations are to provide benefits for the life of the member or take into account member mortality rates, so increases in life expectancy will result in an increase in the liabilities.

Currency risk: The risk that arises from the change in price of the euro against other currencies.

in thousand EUR

	31 DEC 2021	31 DEC 2022
Evolution of the net liability during the year is as follows:		
Net liability at 01 January	**50,465**	**36,572**
Changes in scope of consolidation	(274)	975
Expense recognized in the income statement	9,424	6,224
Employer contributions	(9,886)	(9,725)
Amount recognized in other comprehensive income	(7,417)	(6,072)
Exchange differences	302	(155)
Discontinued net liability	(6,042)	(15,036)
Net liability at 31 December	36,572	12,783

Changes in scope of consolidation relate in 2022 to the acquisition of Trimo, and in 2021 to the acquisition of FoamPartner. Discontinued net liability relates to the position at 31 December of Engineered Foams activities in 2022 and to Bedding activities in 2021. Discontinued plan assets at 31 December relate in 2022 to Engineered Foams activities and in 2021 to Bedding activities.

in thousand EUR

	31 DEC 2021	31 DEC 2022
Pension costs recognized in profit and loss and other comprehensive income:		
Service cost:		
Current service cost	9,531	7,361
Employee contributions	(957)	(941)
Past service cost (including curtailments)	332	(639)
Cost or gain on settlement	0	0
Administration expenses	362	277
Net interest cost:		
Interest cost	976	1,854
Interest income	(818)	(1,602)
Interest on asset ceiling/ additional liability recognized under IFRIC 14	(2)	129
Pension expense recognized in profit and loss	**9,424**	**6,439**
Remeasurements in other comprehensive income		
Return on plan assets (in excess of)/below that recognized in net interest	(3,878)	39,109
Actuarial (gains)/losses due to changes in financial assumptions	(7,599)	(45,665)
Actuarial (gains)/losses due to changes in demographic assumptions	(1,401)	208
Actuarial (gains)/losses due to experience	(6,734)	5,730
Changes in the asset ceiling/additional liability under IFRIC 14, excluding amounts recognized in net interest cost	12,195	(6,215)
Total amount recognized in other comprehensive income	**(7,417)**	**(6,832)**
Total amount recognised in profit and loss and other comprehensive income	**2,007**	**(393)**

In 2022, amounts for past service costs and curtailments relate mainly to personnel changes in Germany. In 2021, amounts for past service costs, curtailments and settlements relate to a plan change in France and personnel movements related to the FoamPartner acquisition. The amounts above are in respect of both continuing and discontinued operations i.e. for Bedding until its divestment on 31 March 2022.

in thousand EUR

	31 DEC 2021	31 DEC 2022
Amounts recorded in the statement of financial position in respect of the defined benefit plans are:		
Defined benefit obligations for funded plans	152,260	63,331
Fair value of plan assets	(131,834)	(54,952)
Funded status for funded plans	**20,426**	**8,379**
Defined benefit obligations for unfunded plans	8,571	781
Total funded status at 31 December	**28,997**	**9,160**
Effect of the asset ceiling/ additional liability recognized under IFRIC 14	7,575	3,623
Net liabilities at 31 December	**36,572**	**12,783**
The key actuarial assumptions used at 31 December (weighted averages) are:		
Discount rate	0.91%	4.20%
Future pension increases	0.93%	2.50%
Expected rate of salary increases	1.72%	3.20%
Inflation	1.80%	2.35%

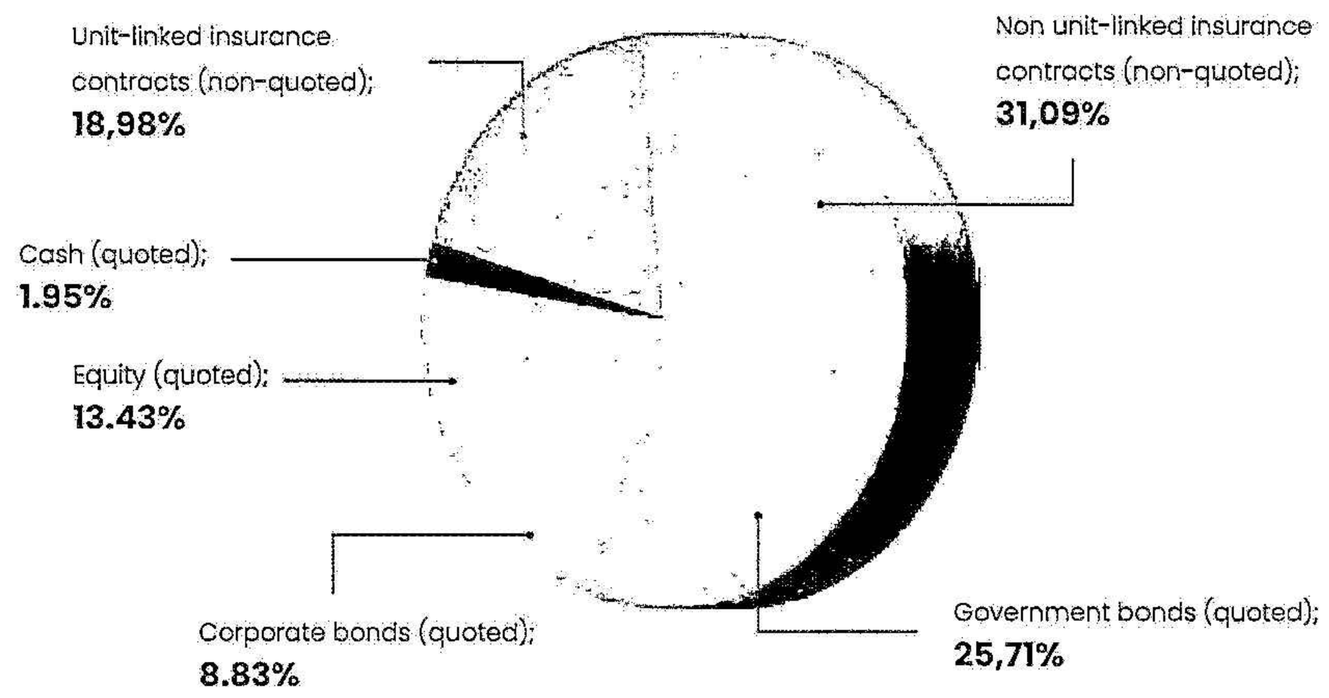
The mortality assumptions are based on recent mortality tables. The mortality tables of the United Kingdom and Germany assume that life expectancies will increase in future years.

Movement of the plan assets		
Fair value of plan assets at 01 January	127,831	131,834
Changes in scope of consolidation	37,791	0
Interest income	818	1,560
Employer contributions	9,886	9,725
Employee contributions	957	874
Benefits paid (direct & indirect, including taxes on contributions paid)	(7,400)	(14,197)
Return on plan assets in excess of/(below) that recognized in net interest, excl. interest income	3,878	(27,415)
Settlement gains/(losses)	0	0
Administration expenses	(362)	(260)
Exchange differences	6,206	9
Discontinued plan assets	(47,771)	(47,178)
Fair value of plan assets at 31 December	**131,834**	**54,952**

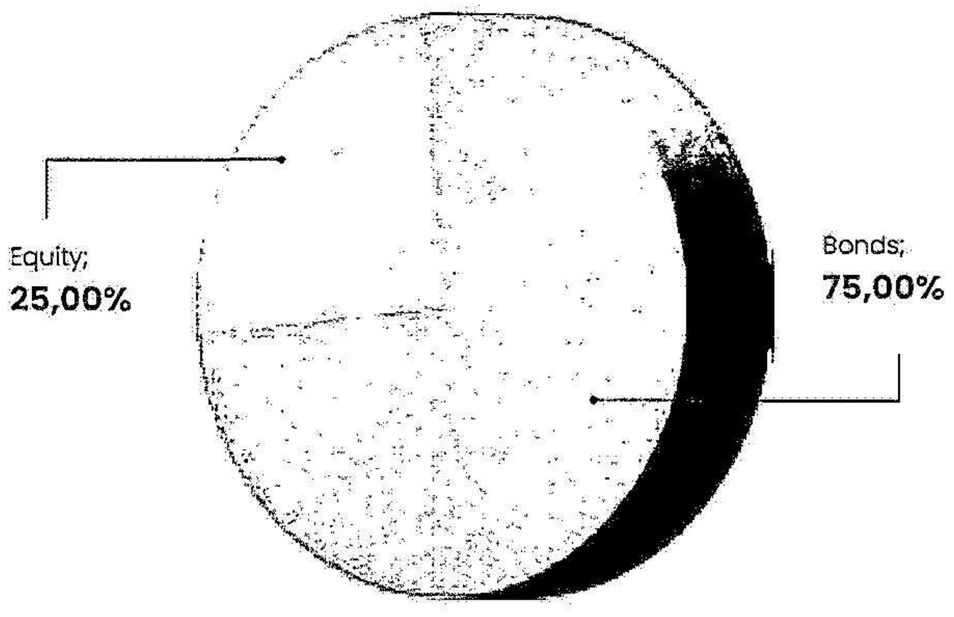
The funded plans' assets are invested in mixed portfolios of shares and bonds, or insurance contracts. The plan assets do not include direct investments in Recticel shares, Recticel bonds or any property used by Recticel companies.

Discontinued plan assets at 31 December relate in 2022 to Engineered Foams activities and in 2021 to Bedding activities.

Plan assets portfolio mix at 31 December 2022



Asset classes of unit-linked insurance contracts



Unit-linked insurance contracts are investments in debt, equity and cash instruments managed by an insurance company, in which Recticel holds a specific number of fund units of which the net asset value is declared on a regular basis. Non-unit-linked insurance contracts are pure insurance policies with only limited financial investment risk.

in thousand EUR

	31 DEC 2021	31 DEC 2022
Movement of the defined benefit obligation		
Defined benefit obligation at 01 January	**176,466**	**160,831**
Changes in scope of consolidation	37,517	975
Current service cost	9,531	7,105
Interest cost	976	1,809
Benefits paid (direct & indirect, including taxes on contributions paid)	(7,400)	(14,197)
Actuarial (gains)/losses on liabilities arising from changes in financial assumptions	(7,599)	(40,474)
Actuarial (gains)/losses on liabilities arising from changes in demographic assumptions	(1,401)	208
Actuarial (gains)/losses on liabilities arising from experience	(6,734)	5,811
Past service cost (including curtailments)	332	(639)
Settlement (gains)/losses	0	0
Exchange differences	5,976	(59)
Discontinued defined benefit obligation	(46,833)	(57,258)
Defined benefit obligation at 31 December	**160,831**	**64,112**
Split of the defined benefit obligation per population		
Active members	94,274	19,628
Members with deferred benefit entitlements	40,740	25,249
Pensioners/Beneficiaries	25,817	19,235
Total defined benefit obligation at 31 December	**160,831**	**64,112**
Changes in the effect of the asset ceiling/ additional liability under IFRIC 14		
Asset ceiling/additional liability impact at 01 January	1,830	7,575
Interest on asset ceiling/additional liability	(2)	123
Changes in the asset ceiling/additional liability, excluding amounts recognized in net interest cost	12,195	968
Exchange differences	532	(86)
Discontinued asset ceiling/additional liability	(6,980)	(4,957)
Asset ceiling/additional liability impact at 31 December	**7,575**	**3,623**
Weighted average duration of the defined benefit obligation at 31 December	**12 years**	**12 years**

	31 DEC 2021	31 DEC 2022
Sensitivity of defined benefit obligation to key assumptions at 31 December		
% increase in defined benefit obligation following a 0.25% decrease in the discount rate	3.40%	3.24%
% decrease in defined benefit obligation following a 0.25% increase in the discount rate	-3.32%	-3.02%
% decrease in defined benefit obligation following a 0.25% decrease in the inflation rate	-1.22%	-1.36%
% increase in defined benefit obligation following a 0.25% increase in the inflation rate	1.24%	1.37%

For plans where a full valuation has been performed the sensitivity information shown above is exact and based on the results of this full valuation. For plans where results have been rolled forward from the last full actuarial valuation, the sensitivity information above is approximate and takes into account the duration of the liabilities and the overall profile of the plan membership.
Discontinued defined benefit obligation and discontinued asset ceiling/additional liability at 31 December relate in 2022 to Engineered Foams activities and in 2021 to Bedding activities.

in thousand EUR

	2023
Estimated contributions for the coming year	
Expected employer contributions for defined benefit plans	3,935

Post-employment benefits: defined contribution plans

The amount recognised as an expense for defined contribution plans in respect of continuing operations was EUR 720,000 (2021 restated: EUR 565,000).

5.2.12 Provisions

For the year ending 31 December 2022:

in thousand EUR

	LITIGATIONS	DEFECTIVE PRODUCTS	ENVIRONMENTAL RISKS	RESTRUCTURING	PROVISIONS FOR ONEROUS CONTRACTS AND DILAPIDATION COSTS	OTHER RISKS	TOTAL
At the end of the preceding year	**0**	**990**	**1,604**	**3,138**	**7,796**	**11,852**	**25,379**
Movements during the year							
Business combinations	0	274	0	0	0	0	275
Increases	4	33	1,425	291	135	8,181	10,069
Actualisation	0	0	0	0	25	0	25
Utilisations	(4)	0	(214)	(1,337)	(37)	0	(1,592)
Write-backs	0	(66)	(2)	(1,402)	(180)	(4,147)	(5,797)
Transfer from one heading to another	0	(3)	0	0	0	0	(3)
Transfer to discontinued operations	0	(635)	(11)	(640)	(6,763)	(1,898)	(9,947)
Exchange rate differences	0	15	0	0	(136)	(41)	(161)
At year-end	**0**	**608**	**2,802**	**50**	**840**	**13,947**	**18,248**
Non-current provisions (more than one year)	0	608	2,597	(0)	840	13,947	17,992
Current provisions (less than one year)	0	0	206	50	0	0	256
Total	**0**	**608**	**2,802**	**50**	**840**	**13,947**	**18,248**

The movements contain the impact of the Recticel Engineered Foams operations until 30/06/2022, mainly write-backs (EUR -0.7 million). As of this date the amounts are transferred to discontinued operations.

Provisions for defective products are generally calculated on the basis of 1% of yearly turnover, which corresponds to the management's best estimate of the risk under 12-month warranties. When historical data are unavailable, the level of the provisions is compared to the yearly effective rate of liabilities, and if necessary, the amount of provision is adjusted.

Provisions for environmental risks cover primarily (i) the identified risk at the Tertre (Belgium) site (see section 5.2.6.9.1.) and (ii) other pollution risks in Belgium. EUR 0.2 million of this provision has been used in 2022 to cover clean-up costs on the site in Tertre.

Provisions for reorganisation relate to realised expenses in 2022 relating to reorganisations in France (EUR 1.3 million).

Provisions for onerous contracts relate mainly to the buildings in the United Kingdom (EUR 0.8 million).

Provisions for other risks relate mainly to legal costs and fees for legacy remediation and litigations (see 5.6.9. – Contingent assets and liabilities) as well as management assessments with regards to post-closing settlements. The increase is mainly due to a provision for indemnities related to the divestment of Bedding (EUR 7.0 million) (cfr 5.2.4.7.). The write-backs are mainly related to the release of the provision related to the fair value of the put option for Proseat (EUR -2.3 million).

For the major risks (i.e. environmental, reorganisation and other risks) the cash outflow is expected to occur within a two years' horizon.

4.2.7 Financial liabilities

Financial liabilities carried at amortised cost include mainly interest-bearing borrowings:

in thousand EUR

	NON-CURRENT LIABILITIES		CURRENT LIABILITIES	
	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022
Secured				
Lease liabilities	43,723	12,752	6,692	3,547
Bank loans	164,782	181,631	925	949
Total secured	**208,506**	**194,383**	**7,617**	**4,497**
Unsecured				
Other loans	0	0		
Current bank loans		0	1	75,000
Commercial paper		0	49,992	11,948
Bank overdrafts		0	580	1,038
Other financial liabilities		0	873	1,045
Total unsecured	**0**	**0**	**51,447**	**89,031**
Total liabilities carried at amortised cost	**208,506**	**194,383**	**59,064**	**93,527**

Gross financial debt (interest-bearing borrowings, including bank overdrafts, lease liabilities and other financial liabilities) and off-balance sheet non-recourse factoring programs

in thousand EUR

	31 DEC 2021	31 DEC 2022
Drawn amounts under the various available interest-bearing borrowing facilities		
Outstanding amounts under syndicated credit facility	152,840	170,638
Outstanding amounts under lease liabilities	43,723	12,752
Outstanding amounts under other non-current loans	11,943	10,993
Outstanding amounts under non-current gross interest-bearing borrowing facilities (a)	**208,506**	**194,383**
Outstanding amounts under bank overdrafts	580	1,038
Outstanding amounts under current bank loans	926	949
Outstanding amounts under lease liabilities	6,692	3,547
Outstanding amounts under factoring programs - retention amount	0	
Outstanding amounts under commercial paper programs [1]	49,992	11,948
Outstanding amounts under other current loans	0	75,000
Outstanding amounts under other financial liabilities	873	1,045
Outstanding amounts under current gross interest-bearing borrowing facilities (b)	59,064	93,527
Total outstanding amounts under gross interest-bearing borrowings (c)=(a)+(b)	**267,570**	**287,910**
Outstanding amounts under non-recourse factoring programs (d)	25,162	13,237
Total outstanding amounts under gross interest-bearing borrowings and factoring programs (e)=(c)+(d)	**292,732**	**301,147**
Weighted average lifetime of non-current interest-bearing borrowings (in years)	**2.50**	**1.32**
Weighted average interest rate of gross financial debt at fixed interest rate	2.26%	2.14%
Interest rate range of gross financial debt at fixed interest rate	1.46% - 2.62%	1.46% - 2.62%
Weighted average interest rate of gross financial debt at variable interest rate	1.40%	3.51%
Interest rate range of gross financial debt at variable interest rate	0.60% - 3.70%	2.55% - 3.85%
Weighted average interest rate of total gross financial debt	**1.50%**	**3.42%**
Percentage of gross financial debt at fixed interest rate	**11.80%**	**10.0%**
Percentage of gross financial debt at variable interest rate	**88.20%**	**90.0%**

[1] *The amount drawn under the commercial paper program is to be covered at any time by the undrawn amount under the syndicated credit facility. Therefore the reported unused amount under the EUR 100 million revolving syndicated credit facility is after deduction of the issued amounts under the commercial paper program.*

The fair value of floating rate borrowings is close to amortised cost.

The majority of the Group's financial debt is centrally contracted and managed through Recticel International Services n.v./s.a., which acts as the Group's internal bank.

(i) Lease liabilities

Lease liabilities comprise (i) following the application of IFRS 16, the leases for property, plant and equipment, furniture and vehicles (see note 5.2.5.4.), and (ii) leases formerly classified as 'finance leases'.

These finance leases consist mainly of three leases:

- the lease financing of the Insulation plant in Bourges (France), with an outstanding amount of EUR 2.5 million as of 31 December 2022 and is at floating rate, hedged by interest rate swap (cfr 5.2.5.18);
- the lease financing buildings in Slovenia, with an outstanding amount of EUR 1.4 million as of 31 December 2022 and is at a fixed rate;
- the additional lease to finance the extension of the Insulation plant in Wevelgem (Belgium) in 2017, with an outstanding amount of EUR 6.2 million as of 31 December 2022 and is at a fixed rate.

(ii) Bank loans – "syndicated credit facility"

On 04 December 2021 the Group entered into:

- a new EUR 100 million syndicated revolving credit facility to replace the EUR 175 million 'club deal' facility maturing in February 2021, and
- a EUR 205 million acquisition financing facility to finance the acquisition of FoamPartner, closed on 31 March 2021. The outstanding balance on 31 December 2022 of the acquisition financing facility is EUR 146.6 million, as a redemption of EUR 8.2 million was made in December 2022 to the banks.

Both facilities have a 3-year tenor with two 1-year extension options and have been arranged and underwritten by KBC Bank. The participating banks are Belfius Bank, BNP Paribas Fortis, Commerzbank and LCL.

(iii) Other bank loans

In 2018, Recticel concluded a secured fixed rate bilateral bank loan of EUR 15.5 million for the financing of the new greenfield Insulation plant in Finland. The tenor of this amortising bank loan is 15 years, with maturity in March 2033. The outstanding amount at 31 December 2022 is EUR 11.9 million.

(iv) Other current loans

In April 2022, Recticel concluded a bridge loan financing agreement with the banks for a total amount of EUR 75 million.

Recticel opened this bridge loan financing to cover the period between the Trimo acquisition and the Engineered Foams divestment.

(iv) Commercial paper program

In 2017, the Group started through Recticel NV/SA a short-term commercial paper program (TCN – Titres de Créances Négociables) in France for an amount of EUR 100 million, which was increased in 2018 to EUR 150 million. This TCN-program is used to complement the financing of day-to-day working capital needs of the Group. The amount issued under the TCN-program is to be covered by the unused amount under the syndicated credit facility. Following the refinancing and reduction of the amount of the syndicated revolving credit facility, the short-term commercial paper program has been reduced to EUR 100 million as of 01 February 2021.

The commercial paper program has an outstanding amount of EUR 12 million on 31 December 2022.

The 'syndicated revolving credit financing facility and the acquisition financing facility, are subject to financial covenants. No covenants are in place for other financial liabilities.

Other financial liabilities

For interest rate swaps reference is made to 5.2.5.18.

in thousand EUR

	31 DEC 2021	31 DEC 2022
Other financial debt	192	10
Interest accruals	368	743
Total	**560**	**754**

2.2.17 Trade and other payables

Trade payables principally comprise amounts outstanding for trade purchases. Trade payables decreased to EUR 74.1 million (2021: EUR 120.1 million). The decrease is due to the application of IFRS5 on Recticel Engineered Foams. On 31/12/2021 the Recticel Engineered Foams Trade payables amounted to EUR 56.3 million. The decrease is compensated by the business combination Trimo for EUR 27.7 million. On a like-for-like basis trade payables have decreased with EUR 17.8 million.

Other current amounts payable is composed as follows:

in thousand EUR

	31 DEC 2021	31 DEC 2022
Other non current liabilities maturing within one year		0
VAT payable - local and foreign	9,431	7,009
Other tax payables	1,458	312
Payroll, social security	36,920	10,316
Dividend payable	482	1,857
Result transfer (fiscal unit)		
Other debts	3,906	1,879
Accrued liabilities - operating	11,235	6,359
Deferred income - operating	2,290	481
Deferred income - insurance premium	725	352
Deferred income - gain on sale and leaseback	439	335
Total	**66,885**	**28,901**

The decrease in 2022 is due to the application of IFRS5 on Recticel Engineered Foams. On 31/12/2021 the Recticel Engineered Foams Other current amounts payable amounted to EUR 43.6 million. The decrease is compensated by the business combination Trimo for EUR 6.9 million.

2.2.18 Financial instruments and financial risks

The following table presents the financial instruments by category of IFRS 9 and the fair value level for the financial assets and liabilities measured at fair value:

in thousand EUR

	CATEGORY UNDER IFRS 9	31 DEC 2021	31 DEC 2022	FAIR VALUE LEVEL
Financial assets				
Transactional hedges - operational	**FVTPL**	**4**	**156**	**2**
Derivatives not designed in a hedge relationship	FVTPL	177	178	2
Current trade receivables	**AC**	**141,597**	**64,102**	**2**
Other non-current receivables	AC	1,620	426	2
Other receivables	AC	11,324	7,576	2
Other receivables	**AC**	**12,944**	**8,001**	**2**
Loans to affiliates	AC	10,207	11,068	2
Other loans	AC	1,380	219	2
Non-current loans	**AC**	**11,588**	**11,287**	**2**
Financial receivables	AC	4,365	1,944	2
Loans to affiliates	**AC**	**15,952**	**13,231**	**2**
Cash and cash equivalents	**AC**	**118,367**	**38,655**	**2**
Other investments	**FVTOCI**	**599**	**500**	**2**
Financial liabilities				
Interest rate swaps designated as cash flow hedge relationship	**CFH**	**36**	**27**	**2**
Transactional hedges - operational	**FVTPL**	**15**	**0**	**2**
Derivatives not designated in a hedge relationship	FVTPL	269	265	2
Non-current financial liabilities at amortised cost	**AC**	**208,506**	**194,383**	**2**
Current financial liabilities at amortised cost	**AC**	**58,744**	**93,235**	**2**
Trade payables	**AC**	**120,575**	**74,115**	**2**
Other non-current payables	AC	25	1,016	2
Other payables	AC	66,885	28,901	2
Other payables	**AC**	**66,910**	**29,916**	**2**

AC = financial assets or liabilities at amortised cost
CFH = cash flow hedge
FVTPL = Financial assets or liabilities at fair value through profit or loss
FVTOCI = financial assets at fair value through other comprehensive income

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period ending 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Financial risk management

- *Credit risk*

The Group's principal current financial assets are cash & cash equivalents, trade and other receivables, and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of loss allowances for expected credit losses, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The risk profile of the trade receivables portfolio is based on the conditions of sale observed on the market. At the same time, it is confined by the agreed limits of the general conditions of sale and the specifically agreed conditions, adapted accordingly. The latter also depend on the degree of industrial and commercial integration of the customer, as well as on the level of market competitiveness.

The trade receivables portfolio consists of a large number of a large number of customers distributed among various markets, for which the credit risk is assessed on an on-going basis and based on which the commercial and financial conditions are granted. In addition, the credit risks on trade receivables, except for Automotive associates, are mostly covered by credit insurance policies which the Group manages centrally and harmonises. In case of transfer of these receivables to the factoring company, the latter becomes the beneficiary of these credit insurance policies. The credit risk management is also strengthened by an organisation which is to a great extent centralised and enabled by the SAP FSCM software and best practice regarding the collection of receivables.

Credit terms granted on sales vary in function of the customer credit assessment, the business line and the country of operations.

There is a limited credit risk assessment on shareholder loans granted to the other associates. Shareholder loans to other associates are provided in accordance with rules foreseen in the joint venture agreements, which are subject to the evolution of the operational business performance.

- *Interest rate risk management*

Recticel is hedging the interest rate risk linked to its interest-bearing borrowings on a global basis. The main derivative instruments used to convert floating rate debt into fixed rate debt are Interest Rate Swaps (IRS). The amount of fixed rate arrangements in relation to total financial debt is reviewed on an on-going basis by the Finance Committee and adjusted as and when deemed appropriate. In this, the Finance Committee aims at maintaining an appropriate balance between fixed and floating rate arrangements based on a philosophy of sound spreading of interest rate risks.

In an interest rate swap ("IRS") agreement, the Group undertakes to pay or receive the difference between the amounts of interest at fixed and floating rates on a nominal amount. This type of agreement enables the Group to fix the rate on a portion of its floating rate debt in order to be protected against the risk of higher interest charges on a loan at floating interest rates.

The market value of the portfolio of interest rate swaps on the reporting date is the discounted value of the future cash flows from the contract, using the interest rate curves at that date.

The current portfolio of IRS covers a portion of interest-bearing borrowings for EUR 10 million until July 2024.

The weighted average tenor of the IRS portfolio is 1.5 years.

On 31 December 2022, the fair value of the interest rate swaps was estimated at EUR 0.47 million.

All financial leases (EUR 10.1 million) and a bank loan of EUR 11.9 million are at fixed rate or hedged; whereas most other bank debt is contracted at floating rate.

Sensitivity to interest rates
The Group's interest rate risk exposure derives from the fact that it finances at both fixed and variable interest rates. The Group manages the risk centrally through an appropriate structure of loans at fixed and variable interest rates and through interest rate swaps (IRS). The interest rate hedges are evaluated regularly to bring them in line with the Group's view on the trend in interest rates on the financiaSl markets, with the aim of optimising interest charges throughout the various economic cycles. Hedge accounting in accordance with IFRS 9 is not applied.

Profit and loss impact from interest rate hedges
Had the interest rates yield curve risen by 100 basis points, with all other parameters unchanged, the Group's profit on the IRS portfolio in 2022 would have increased by EUR +0.10 million, comparable to 2021.
Conversely, had the interest rates yield curve fallen by 100 basis points, with all other parameters unchanged,

the Group's profit on the IRS portfolio in 2022 would have decreased by EUR -0.1 million, compared to EUR -0.0 million in 2021.

- *Currency risk management*

It is the Group's policy to hedge foreign exchange exposures resulting from financial and operational activities via Recticel International Services s.a./n.v. (RIS), which acts as internal bank of the Group. This hedging policy is mainly implemented through forward exchange contracts. Hedge accounting under IFRS 9 is not applied for currency risk management.

In general, the Group concludes forward exchange contracts to cover currency risks on incoming and outgoing payments in foreign currency. The Group may also conclude forward exchange contracts and option contracts to cover currency risks associated with planned sales and purchases of the year, at a percentage which varies according to the predictability of the payment flows.

At reporting date, forward exchange contracts were outstanding for a nominal amount of EUR 60.6 million and with a total fair value of EUR 0.13 million.

Sensitivity analysis on currency risks
The Group deals mainly in 5 currencies outside the euro zone: GBP, USD, CHF, SEK, PLN.

The following table details the sensitivity of the Group to a positive or negative variation, compared to the annual variation in the pairs of currencies during the previous financial year.

The sensitivity analysis covers only the financial amounts in foreign currency which are recognised in the statement of financial position and which are outstanding at 31 December and determines their variations at the conversion rates based on the following assumptions: USD and GBP 10%; PLN, CHF and SEK 5%.

The following table details the Group's sensitivity in profit or loss to a respectively 10% increase (or decrease) of the US Dollar and Pound Sterling against the Euro, and 5% increase and decrease of the Polish Zloty, Swedish Krona and Swiss Franc against the Euro. The percentages applied in this sensitivity analysis represent the management's assessment of the volatility of these currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary assets and liabilities and adjusts their translation at the period end for a 10%, respectively 5%, change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. It includes also the foreign exchange derivatives (not designated as hedging instruments).

A positive number indicates an increase in profit or loss when the Euro weakens by respectively 10% against the US Dollar or the Pound Sterling, or 5% against the Polish Zloty, Swedish Krona or Swiss Franc. For a respectively 10% strengthening of the Euro against the US Dollar or the Pound Sterling, or 5% against the Polish Zloty, Swedish Krona or Swiss Franc, there would be a comparable opposite impact on the profit or loss (i.e. the impact would be negative).

in thousand EUR

	STRENGTHENING OF USD VERSUS EUR		STRENGTHENING OF GBP VERSUS EUR		STRENGTHENING OF SEK VERSUS EUR		STRENGTHENING OF CHF VERSUS EUR		STRENGTHENING OF PLN VERSUS EUR		STRENGTHENING OF CNY VERSUS EUR	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Historical average variation	10%	10%	10%	10%	5%	5%	5%	5%	5%	5%	–	–
Profit or (loss) recognized in the P&L account	517	250	(601)	(15,180)	(17)	(36)	1,815	(294)	757	59	–	–
Financial assets *	0	9,683	211	42,376	2,355	6,152	28,489	5,678	8,918	1,350	–	–
Financial liabilities *	(4,892)	(875)	(225)	(210,985)	(1,838)	(5,967)	(10,310)	(4,107)	(52)	(172)	–	–
Derivatives	10,065	(6,309)	(6,000)	16,805	(867)	(900)	18,123	(7,444)	6,279	0	–	–
Total net exposure	**5,174**	**2,499**	**(6,014)**	**(151,804)**	**(350)**	**(715)**	**36,303**	**(5,874)**	**15,145**	**1,178**	**0**	**0**

** includes trade and other receivables and trade and other payables*

Financial assets and liabilities represent the foreign currency exposure of the different subsidiaries of the Group in relation to their local currency.

- *Liquidity risk*

The financing sources are well diversified, and the bulk of the debt is irrevocable and long-term or backed-up by long-term commitments. It includes as of February 01, 2021 a new 3-year EUR 100 million syndicated revolving credit facility, with two 1-year extension options.

On 31 March 2021, EUR 205 million has been drawn under a new acquisition facility which has been put in place in relation with the acquisition of FoamPartner.

On 31 December 2021, a redemption of EUR 50 million was made to the banks, bringing the total outstanding amount of the acquisition facility to EUR 155 million.

On 27 April 2022, a bridge facility has been opened with the banks for a total available amount of EUR 75 million. Recticel opened this bridge loan financing to cover the period between the Trimo acquisition and the Engineered Foams divestment.

In addition to the long-term loans, the Group has a diversified range of short-term financing sources, including a commercial paper program and non-recourse factoring facilities.

The diversified financing structure and the availability of committed unused credit facilities for EUR 98.9 million guarantee the necessary liquidity to ensure the future activities and to meet the short- and medium-term financial commitments.

The Group does not enter in financial instruments that require cash deposits or other guarantees (i.e. margin calls).

The new syndicated facility that replaced the former club deal facility as of 01 February 2021 is subject to bank covenants based on an adjusted leverage ratio and an adjusted interest cover, on a consolidated basis. These bank covenants will continue to be determined on the basis of the generally accepted accounting principles that were in place at the moment of the closing of the club deal agreement ("frozen GAAP"). The adoption of IFRS 16 has no impact on the measurement of these covenants. All conditions under the financial arrangements with its banks are respected.

Under the new syndicated facility agreement, the maximum dividend authorised for distribution, excluding the portion attributable to the treasury shares, amounts to the highest of (i) 50% of the consolidated net income of the Group for the previous financial year and (ii) EUR 14.0 million.

The gross dividend over 2022 – to be paid in 2023 – proposed to the Annual General Meeting amounts to EUR 0.31 per share, leading to a total dividend pay-out of EUR 17.4 million (excluding treasury shares). This amount falls below the above-mentioned 50% maximum pay-out limit.

The following table presents the unused credit facilities available to the Group:

in thousand EUR

	31 DEC 2021	31 DEC 2022
Unused amounts under non-current financing facilities		
Undrawn available commitments under the club deal facility [1]	50,000	63,000
Total available under non-current facilities	**50,000**	**63,000**
Unused amounts under current financing facilities		
Undrawn under current on-balance facilities	45,050	24,100
Undrawn under off-balance factoring programs	0	11,763
Total available under current facilities	**45,050**	**35,863**
Total unused amounts under financing facilities	**95,050**	**98,863**

[1] The amount drawn under the commercial paper program is to be covered at any time by the undrawn amount under the syndicated credit facility. Therefor the reported unused amount as of 31 December 2022 of EUR 63 million under the EUR 100 million syndicated credit facility is after deduction of the issued amounts under the commercial paper program.

- *Maturity analysis of financial liabilities*

For the year ending 31 December 2022:

in thousand EUR

	MATURING WITHIN ONE YEAR (A)	MATURING BETWEEN 1 AND 5 YEARS (B)	MATURING AFTER 5 YEARS (C)	TOTAL (A)+(B)+(C)	FUTURE FINANCIAL CHARGES	CARRYING AMOUNT
Lease liabilities	4,350	9,348	4,967	**18,664**	(2,365)	16,299
Bank loans	2,240	177,064	7,596	**186,900**	(4,320)	182,580
Other loans	0	0	0	**0**	0	0
Interest-bearing borrowings - long term	**6,590**	**186,412**	**12,563**	**205,565**	**(6,685)**	**198,879**
Interest-bearing borrowings - short term						**87,985**
Other financial liabilities - Non-derivative						**753**
Other financial liabilities - Derivative						**292**
Total						**287,910**
Non-current financial liabilities						194,383
Current financial liabilities						93,527
Total						**287,910**

For the year ending 31 December 2021:

in thousand EUR

	MATURING WITHIN ONE YEAR (A)	MATURING BETWEEN 1 AND 5 YEARS (B)	MATURING AFTER 5 YEARS (C)	TOTAL (A)+(B)+(C)	FUTURE FINANCIAL CHARGES	CARRYING AMOUNT
Lease liabilities	12,917	26,556	16,315	**55,789**	(5,374)	50,415
Bank loans	1,766	160,664	8,862	**171,292**	(5,585)	165,707
Other loans	0	0	0	**0**	0	0
Interest-bearing borrowings - long term	**14,683**	**187,220**	**25,178**	**227,082**	**(10,959)**	**216,123**
Interest-bearing borrowings - short term						**49,992**
Other financial liabilities - Non-derivative						**1,171**
Other financial liabilities - Derivative						**284**
Total						**267,570**
Non-current financial liabilities						208,505
Current financial liabilities						59,065
Total						**267,570**

Reference is also made to notes 5.2.1.5 (COVID), 5.2.1.7 (Climate change) and 5.2.1.8 (Russia-Ukraine crisis).

5.2.4.6 Business combinations and disposals

In 2022, business combinations related to the acquisition of Trimo since 01 May 2022 (see note 5.2.4.8.).

In 2022, business disposals related to the Bedding activities which were sold to Aquinos (see note 5.2.4.7.).

5.2.4.7 Capital management

The overview below defines the capital components which management considers key in order to realise its capital structure target ratio (i.e. Total net financial debt/Total equity) of less than 50%.

in thousand EUR

	31 DEC 2021	31 DEC 2022
Hedging liabilities	320	292
Non-current financial liabilities	208,505	194,383
Current portion of non current financial liabilities	7,617	4,497
Current financial liabilities	50,759	87,995
Interest accruals	368	743
Gross financial debt	**267,569**	**287,910**
Cash and cash equivalents	(118,367)	(38,655)
Hedging assets	(1,380)	(806)
Net financial debt	**147,822**	**248,450**
Drawn amounts under off-balance non-recourse factoring programs	25,162	13,237
Total net financial debt	**172,984**	**261,687**
Total equity	**391,306**	**446,937**
Ratios		
Net financial debt / Total equity	37.8%	55.6%
Total net financial debt / Total equity	44.2%	58.6%

5.2.3 Miscellaneous

5.2.3.1 Off-balance sheet items

Recticel NV/SA, or some of its subsidiaries have provided various parental corporate guarantees and comfort letters for commercial and/or financial commitments towards third parties. The guarantees related to the Recticel Engineered Foams activities have been reported on discontinued operations.

Compared to the situation per 31 December 2022, most outstanding guarantees and/or comfort letters remained in place; save for some minor adjustments in some committed amounts.

During the year 2022, Recticel NV/SA issued an additional bank guarantee to a third party for EUR 3.0 million.

in thousand EUR

	31 DEC 2021	31 DEC 2022
Guarantees given or irrevocably promised by Recticel SA/NV as security for debts and commitments of companies	169,563	89,555

These guarantees include mainly parental corporate guarantees and letters of comfort for commitments contracted by subsidiaries with banks (EUR 71.4 million), lessors (EUR 13.0 million), governmental institutions (EUR 2 million) and other third parties (EUR 3.2 million).

The amount of expected credit losses on external guarantees is assessed at each reporting date to reflect changes in credit risk since the guarantee was granted. When determining whether the credit risk of a guarantee has increased significantly since the issuance and when estimating expected credit losses, Recticel considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

5.2.3.2 Share-based payments

The Recticel Group has implemented a warrant plan for its leading managers.

The table below gives the overview of all outstanding subscription rights per 31 December 2022:

in thousand EUR

Issue	NUMBER OF WARRANTS ISSUED	NUMBER OF SUBSCRIPTION RIGHTS OUTSTANDING	EXERCISE PRICE IN EUR	EXERCISE PERIOD	FAIR VALUE OF SUBSCRIPTION RIGHTS AT MOMENT OF ISSUE IN EUR
April 2016	317,500	75,000	5.73	01 Jan 20 - 28 Apr 25	0.786
June 2017	410,000	160,000	7.00	01 Jan 21 - 29 Jun 24	0.928
April 2018	460,000	290,000	10.21	01 Jan 22 - 24 Apr 25	1.572
June 2019	500,000	465,000	7.90	01 Jan 23 - 27 Jun 26	1.181
March 2020	512,000	477,500	6.70	01 Jan 24 - 27 Jun 27	1.466
May 2021	475,000	455,000	12.44	01 Jan 25 - 11 May 28	2.290
May 2022	320,000	290,000	17.74	01 Jan 26 - 12 May 29	5.741
Total	**2,994,500**	**2,212,500**			

All subscription rights have a vesting period of 3 years. Beneficiaries can lose the right to exercise their subscription rights in case of voluntary leave or dismissal for misconduct.
The expense recognised for the year for the share-based payments amounts to EUR 1.0 million (2021: EUR 1.1 million).

The plan of May 2022 was approved and formalised appropriately.

A more general overview showing the trend during 2022 is given below:

in units

in units	2021	2022
Total number of subscription rights outstanding per 31 December	2,175,000	2,212,500
Weighted average exercise price (in EUR)	8.87	10.03
Weighted average remaining contractual life (in years)	3.54	4.06
Movements in number of subscription rights		
Subscription rights outstanding at the beginning of the period	1,933,000	2,175,000
New subscription rights granted during the period	475,000	320,000
Subscription rights forfeited and expired during the period	(12,500)	(37,500)
Subscription rights exercised during the period	(220,500)	(245,000)
Subscription rights outstanding at the end of the period	2,175,000	2,212,500
Status of subscription rights outstanding		
Closing share price at end of period (in EUR)	17.52	15.54
Total number of subscription rights exercisable at the end of the period	342,500	525,000
Total number of subscription rights that are 'in-the-money' at the end of the period *	2,175,000	1,922,500
Total number of subscription rights that are exercisable and 'in-the-money' at the end of the period *	342,500	525,000

** in comparison with the average daily closing price over the period*

The table below gives the overview of all subscription rights exercised during the period:

in EUR

in units	2021	2022
Total number of subscription rights exercised	220,500	245,000
Weighted average exercise price	6.22	8.66
Period during which these subscription rights were exercised	31/3 - 23/12	31/3 - 23/12
Average closing price of period during which these subscription rights were exercised	14.85	15.87
Average daily closing price for full year	14.23	16.47

To date, the Group has not issued share appreciation rights to any of its managers or employees, nor has it implemented any share purchase plan.

The theoretical value of the subscription rights at issuance is calculated by applying the Black & Scholes formula, and taking into account certain assumptions regarding dividend payment (last dividend compared to share price - dividend yield: 1.63%), interest rate (Euribor 5 years: 1.125%) and volatility (stock market data on the Recticel share: 40.7%). For the issue of May 2022, the fair value amounted to EUR 5.74 per subscription right.

Overview of the outstanding subscription rights held by the members of the current Management Committee: (per 31 December 2022)

in thousand EUR

Issue [a]	NUMBER OF SUBSCRIPTION RIGHTS HELD BY THE MEMBERS OF THE CURRENT MANAGEMENT COMMITTEE
April 2016	75,000
June 2017	135,000
April 2018	200,000
June 2019	305,000
March 2020	305,000
May 2021	330,000
May 2022	270,000
Total	**1,620,000**

[a] The conditions of the various issues are reflected in the global overview table hereabove.

Members of the Management Committee received the following subscription rights for the 2022 series:

in EUR

Name	TOTAL NUMBER OF SUBSCRIPTION RIGHTS	TOTAL THEORETICAL VALUE OF SUBSCRIPTION RIGHTS AT ISSUANCE (*)
Olivier Chapelle	120,000	399,600
Ralf Becker	30,000	99,900
Bozo Cernila	30,000	99,900
Betty Bogaert	30,000	99,900
François Desné	0	0
Jean-Pierre De Kesel	0	0
Rob Nijskens	30,000	99,900
François Petit	0	0
Dirk Verbruggen	30,000	99,900
Total	**270,000**	**899,100**

** The theoretical value is calculated by using a Black & Scholes formula, and taken into account certain assumptions regarding dividend yield, interest rate and volatility.*

Events after the reporting date

Carpenter

Recticel reports that the closing of the Engineered Foams divestment to Carpenter Co. has not taken place at the end of March 2023.

Parties continue to work towards a closing to take place as soon as possible.

Bank crisis

The collapse of the US bank SVB and Credit Suisse in Europe triggered concerns on the financial stability of the banking system.
Swift action from the US federal reserve and Switzerland's central bank restored confidence in the financial system.

4.2.34 Related party transactions

Transactions between Recticel NV/SA and its subsidiaries, which are related parties, have been eliminated in the consolidation and are not disclosed in this note. Transactions with other related parties are disclosed below, and concern primarily commercial transactions done at prevailing market conditions. The tables below include only transactions considered to be material, i.e. exceeding a total of EUR 1 million.

Transactions with joint ventures and associates: 2022

in thousand EUR

	NON-CURRENT RECEIVABLES	TRADE RECEIVABLES	OTHER CURRENT RECEIVABLES	FINANCIAL LIABILITIES	TRADE PAYABLES	OTHER PAYABLES	REVENUES	COST OF SALES
Total Orsafoam companies	0	0	0	0	0	0	41	(362)
Total Proseat companies	0	0	0	0	0	0	9,716	0
Total TEMDA2 companies	11,068	326	15	0	15	(0)	18	(839)
TOTAL	**11,068**	**326**	**15**	**0**	**15**	**(0)**	**9,775**	**(1,201)**

Orsafoam is classified as held for sale.

Transactions with joint ventures and associates: 2021

in thousand EUR

	NON-CURRENT RECEIVABLES	TRADE RECEIVABLES	OTHER CURRENT RECEIVABLES	TRADE PAYABLES	OTHER PAYABLES	REVENUES	COST OF SALES
Total Orsafoam companies	0	24	0	0	0	47	0
Total Proseat companies	0	3,434	0	25	(0)	49,457	(88)
Total TEMDA2 companies	10,207	711	437	202	863	9,218	(1,297)
TOTAL	**10,208**	**4,169**	**437**	**227**	**863**	**58,722**	**(1,385)**

Following the partial divestment from the Proseat group in 2019 and from Automotive Interiors in 2021, revenues from respectively Proseat companies and TEMDA2 companies relate to the sale of chemical raw materials at cost. Recticel ended the sale of chemical raw materials to TEMDA 2 companies as per 30 June 2021, and ended the sale of chemical raw materials to Proseat as per 31 March 2022.

E.2.3.5 Remuneration of the Board of Directors and of the Management Committee

The remuneration of the members of the Board of Directors and of the Management Committee is included in this note. For more information, reference is made to the remuneration report in the section 'Corporate Governance' of this annual report.

Total gross remuneration for the members of the Board of Directors:

in EUR

	2021	2022
Director fees	150,000	122,125
Attendance fees Board of Directors	212,500	157,500
Attendance fees Audit Committee	50,000	45,000
Attendance fees Remuneration and Nomination Committee	25,000	22,500
Attendance fees Strategy Committee	105,000	15,000
TOTAL	**542,500**	**362,125**

In light of the COVID-19 crisis, and in line with the voluntary remuneration reductions implemented by the top management, the Board of Directors of 29 April 2020 decided to reduce the director fees for the second quarter by 30%, as a sign of solidarity with the management and the employees of the company. In 2022 the board remuneration stayed at the same level. The reduction in the total cost is due to the number of meetings.

Total gross remuneration for the members of the Management Committee

in EUR

	2021	2022
Fixed remuneration	2,882,656	2,414,643
Variable remuneration	2,743,928	2,688,559
Pensions	217,540	141,640
Other benefits	185,766	132,067
Extraordinary items	4,102,666	564,000
TOTAL	**10,132,556**	**5,940,909**

The extraordinary item was related to a one-off strategic reorientation bonus in the context of a strategic reorientation plan awarded to certain members of the management. This bonus was taken into cost over the period 2021-2022 but paid out in full in 2022.

5.2.2.6 Exchange rates

		CLOSING RATE		AVERAGE RATE	
		2021	2022	2021	2022
Swiss Franc	CHF	0.9680	1.0155	0.9249	0.9953
Yuan Renminbi	CNY	0.1390	0.1359	0.1311	0.1413
Czech Crown	CZK	0.0402	0.0415	0.0390	0.0407
Euro	EUR	1.0000	1.0000	1.0000	1.0000
Pound Sterling	GBP	1.1901	1.1275	1.1633	1.1727
Forint	HUF	0.0027	0.0025	0.0028	0.0026
Indian Rupee	INR	0.0119	0.0113	0.0114	0.0121
Moroccan Dirham	MAD	0.0951	0.0896	0.0940	0.0934
Norwegian Krone	NOK	0.1001	0.0951	0.0984	0.0990
Polish Zloty	PLN	0.2175	0.2136	0.2190	0.2134
Romanian Leu	RON	0.2021	0.2020	0.2032	0.2028
Swedish Krona	SEK	0.0976	0.0899	0.0986	0.0941
Singapore Dollar	SGD	0.6545	0.6993	0.6293	0.6891
Turkish Lira	TRY	0.0656	0.0501	0.0951	0.0574
US Dollar	USD	0.8829	0.9376	0.8455	0.9496

5.2.2.7 Staff

in units

	31 DEC 2021 (AS PUBLISHED)	31 DEC 2022
Management Committee	9	6
Employees	1,632	780
Workers	2,115	576
Average number of people employed (full time equivalent) on a consolidated basis (i.e. excluding joint ventures)	**3,756**	**1,361**
Remuneration and social charges (in thousand EUR)	**212,458**	**82,090**
Average number of people employed in Belgium	934	422

The decrease of the average number of people employed, as well as of the cost for remuneration and social charges, is to a large extent explained by the change of scope following the reclassification to discontinued operations of the Recticel Engineered Foams activities (2,737 employees) (cfr 5.2.4.7.). The business combination Trimo added 469 FTE. (cfr 5.2.4.8).

5.2.2.8 Audit and non-audit services provided by the statutory auditor

The total fees in relation to services provided by the statutory auditor PwC Bedrijfsrevisoren BV and by companies related to the auditor to Recticel NV/SA and its subsidiaries, are as follows:

in thousand EUR

	31 DEC 2021	31 DEC 2022
Audit fees	1,037	1,188
Other audit services and legal missions	147	342
Tax services	75	8
Consulting services	7	18
Total fees	**1,266**	**1,556**

Audit fees for Recticel NV/SA and its subsidiaries are determined by the shareholders meeting after review and approval by the company's Audit Committee and Board of Directors. All non-audit fees have been pre-approved by the company's Audit Committee.

3.2.2.3 Contingent assets and liabilities

a) Wetteren (Belgium)

In the production plant of Wetteren (Belgium) a historic asbestos pollution was found in the course of 2021. In 2022 the soil investigations and provisional remediation plans have been concluded. An additional provision for the costs was made for EUR 0.2 million. The total provision amounts to EUR 1.0 million at the end of 2022.

b) Litigations

The Group has been the subject of an antitrust investigation at European level. Recticel announced on 29 January 2014 that a settlement was reached with the European Commission in the polyurethane foam investigation. The case was closed after payment of the last instalment of the effective overall fine in April 2016.

Various claims have been issued by one or more customers, in which these entities allege harm with regard to the conduct covered by the European Commission's cartel decision. Some procedures have been ended or concluded in the course of 2016-2018, with only one court procedure still on-going in Germany linked to Eurofoam. No additional new claims are to be expected as these have now all become time-barred.

Recticel carefully reviews and evaluates the merits for each case with its legal advisors to determine the appropriate defensive strategy and recognises, where appropriate, provisions to cover any legal costs in this regard.

Regarding the on-going litigation no considered judgment can at this stage be formed on the outcome of this procedure or on the amount of any potential loss for the company.

One of our Group entities in the United Kingdom was the subject of a HSE investigation following the accidental death of one of its employees in 2015. After a very fact-finding phase, the HSE had initially made certain allegations against Recticel Ltd for breach of HSE regulations. Recticel has replied to these allegations. In October 2021, the HSE had confirmed that it had taken an enforcement decision. At the end of 2022, the HSE indicated that it would no longer take enforcement actions against the company in absence of evidence. The provision that was established for this case has hence been taken back.

One of the Group's entities in France is implicated in a labour law case following the closure of a production site, whereby the former employees have launched a claim to obtain additional compensations, on the basis that the economic reasons for the closure were invalid. The court proceedings have so far confirmed the position of the employees, with one procedure ongoing. A provision has been established to cover the potential negative outcome.

Following the fire incident in Most (Czech Republic), the involved Group entity has been temporarily unable to supply the contractually agreed quantities of products, leading to production interruptions at the direct customers and the car manufacturers. While the Group entity involved have claimed Force Majeure in this respect, this has been put in question or even contested by a number of customers, with indication that further claims could be raised to obtain damage compensation. While the Group is insured in this regard in line with industrial standards, it cannot be excluded that such claims could lead to financial losses for the companies involved. One customer has launched a legal proceeding in France in the course of the first semester of 2019.

Recticel signed a preliminary purchase agreement with the Gor-Stal shareholders to acquire Gor-Stal's insulation board business located in Bochnia, Poland, for an enterprise value of EUR 30 million. The sale required a prior carve-out of these activities into a new legal entity. Both parties cooperated well to finalise the due diligence and to realise this carve-out by July 2021, but then, the sellers came back to request a price adjustment, citing changed market conditions. Recticel requested more information before considering such a request, which was contrary to the agreement. The sellers did not provide such information and in October 2021, they informed Recticel that they did no longer want to continue the transaction. Recticel notified the sellers at the end of the year that they breached their obligations under the agreement and that Recticel would launch legal proceedings to enforce the preliminary agreement. These legal proceedings were launched in 2022 and continue to this date.

As of 31 December 2022, total overall provisions and accruals for other litigations, environmental risk and other risks on Recticel Group level amounted to EUR 16.8 million in the consolidated financial statements. With reference to the prejudicial exemption in IAS 37 §92, the Group will not disclose any further information about the assumptions for the provision, including any details about current and the expected number of lawsuits and claims.

The disclosure of such information is believed to be detrimental to the Group in connection with the ongoing confidential negotiations and could inflict financial losses on Recticel and its shareholders.

2.2.2.10 Reconciliation table of Alternative Performance Measures

The Group uses and publishes several Alternative Performance Measures ("APM") to provide additional valuable insight to financial analysts and investors. APMs are related to the standards used by management to monitor and measure financial performance.

The overview tables below summarise the reconciliation of these APMs in respectively the income statement and the statement of financial position of the continuing operations.

in thousand EUR

	2021 RESTATED	2022
Income statement		
Sales	449,211	561,516
Gross profit	84,945	104,750
EBITDA	50,303	55,018
Operating profit (loss)	37,475	34,886
Operating profit (loss)	**37,475**	**34,886**
Amortisation of intangible assets	1,531	5,363
Depreciation of tangible assets	11,353	13,723
Amortisation deferred charges long term	(83)	0
Impairments on goodwill, intangible and tangible fixed assets	27	1,047
EBITDA	**50,303**	**55,018**
EBITDA	**50,303**	**55,018**
Restructuring charges	626	1,277
Other	(2,504)	5,902 [1]
Adjusted EBITDA	**48,426**	**62,197**
Operating profit (loss)	**37,475**	**34,886**
Restructuring charges	626	1,277
Other	(2,504)	5,902
Impairments	27	1,047
Adjusted Operating Profit (Loss)	**35,624**	**43,111**

[1] *Other adjustments EUR -5.9 million mainly relate to (i) legal and financial advisory fees primarily linked to the acquisition of Trimo, (ii) a fair value adjustment on inventories by application of IFRS 3 (reversal of inventory step up values) resulting from the purchase price allocation of Trimo).*

in thousand EUR

Total net financial debt	31 DEC 2021 (AS PUBLISHED)	31 DEC 2022
Non-current financial liabilities	208,505	194,383
Current financial liabilities	59,064	93,527
Cash	(118,367)	(38,655)
Other financial assets	(1,381)	(806)
Net financial debt on statement of financial position	**147,821**	**248,450**
Factoring programs	25,162	13,237
Total net financial debt	**172,984**	**261,687**
Gearing ratio (Net financial debt / Total equity)		
Total equity	391,305	446,937
Net financial debt on statement of financial position / Total equity	37.8%	55.6%
Total net financial debt / Total equity	44.2%	58.6%
Leverage ratio (Net financial debt / EBITDA)		
Net financial debt on statement of financial position / EBITDA	1.3	2.1
Total net financial debt / EBITDA	1.5	2.3
Net working capital		
Inventories and contracts in progress	112,897	54,210
Trade receivables	141,596	64,102
Other receivables	15,869	35,141
Income tax receivables	4,660	2,190
Trade payables	(120,247)	(73,995)
Current contract liabilities	(9,081)	(7,587)
Income tax payables	(4,466)	(4,444)
Other amounts payable	(66,885)	(28,901)
Net working capital	**74,343**	**40,715**
Current ratio (= Current assets / Current liabilities)		
Current assets	534,855	751,658
Current liabilities	358,546	380,422
Current ratio (factor)	**1.5**	**2.0**

RECTICEL NV/SA – GENERAL INFORMATION

Recticel NV/SA

Address
Bourgetlaan - avenue du Bourget, 42
1130 Brussels
Belgium

Established: on 19 June 1896 for thirty years, later extended for an unlimited duration.

Object: (article 3 of the Coordinated Articles) The object of the company is the development, production, conversion, trading, buying, selling and transportation, on its own account or on behalf of third parties, of all plastics, polymers, polyurethanes and other synthetic components, of natural substances, metal products, chemical or other products used by private individuals or by industry, commerce and transport, especially for furniture, bedding, insulation, the construction industry, the automotive sector, chemicals, petrochemicals, as well as products belonging to or necessary for their production or which may result or be derived from this process.

It may achieve its object in whole or in part, directly or indirectly, via subsidiaries, joint ventures, participations in other companies, partnerships or associations.

In order to achieve this object, it can carry out all actions in the industrial, property, financial or commercial field which are associated with its object directly or indirectly, in whole or in part, or which would be of a nature to promote, develop or facilitate its operation or its trade or that of the companies, partnerships or associations in which it has a participation or an interest; it can in particular develop, transfer, acquire, rent, hire out and exploit all movable and immovable goods and all intellectual property.

Legal form: naamloze vennootschap / société anonyme (limited company)

Recorded in the Brussels register of legal entities
Company number: 0405 666 668

Subscribed capital: EUR 140,521,050 (per 31 December 2022)

Type and number of shares: at 31 December 2022 there was only one type of shares, namely ordinary shares; total number of shares outstanding: 56,208,420

Portion of the subscribed capital still to be paid up: 0 shares/EUR 0.

Nature of the shares not fully paid up: none.

Percentage fully paid up: 100%. The shares are all fully paid up.

The accounts were prepared in accordance with requirements specified by the Royal Decree of 30 January 2001.

These annual accounts comprise the balance sheet, the income statement and the notes prescribed by law. They are presented hereafter in condensed form.

In accordance with Belgian law, the management report, the annual accounts of Recticel NV/SA and the report of the Statutory Auditor will be filed with the Belgian National Bank.

They are available on request from:
Recticel NV/SA - Corporate Communications

Address
Bourgetlaan - avenue du Bourget, 42
B-1130 Brussels
Tel.: +32 (0)2 775 18 11
Fax: +32 (0)2 775 19 90
E-mail: corporate@recticel.com

The notes to the annual accounts are related to the financial situation of the company as shown in the statement of financial position. The results are also commented on in the preceding annual report.

The Statutory Auditor has delivered an unqualified opinion on the statutory annual accounts of Recticel NV/SA.

The statutory annual accounts of Recticel NV/SA, as well as the statutory report by the Board of Directors, are freely available on the company's website: https://www.recticel.com/investors/annual-half-year-reports.html

RECTICEL NV/SA – CONDENSED STATUTORY ACCOUNTS

The statutory statement of financial position and the statutory income statement for the period ended 31 December 2022 of Recticel NV/SA are given below in a condensed form. The accounting principles used for the Statutory Financial Statements of Recticel NV/SA differ from the accounting principles used for the Consolidated Financial Statements: the Statutory Financial Statements follow the Belgian legal requirements, while the Consolidated Financial Statements follow the International Financial Reporting Standards.

in thousand EUR

Recticel NV/SA		31 DEC 2021	31 DEC 2022
ASSETS			
FIXED		**525,729**	**922,135**
I.	Formation expenses	0	0
II.	Intangible assets	20,148	12,030
III.	Tangible assets	52,711	33,196
IV.	Financial assets	452,871	876,909
CURRENT		**80,883**	**70,498**
V.	Amounts receivable after one year	4,414	4,000
VI.	Inventories and contracts in progress	24,731	15,539
VII.	Amounts receivable within one year	49,365	48,715
VIII.	Cash investments	1,398	1,398
IX.	Cash	6	23
X.	Deferred charges and accrued income	968	821
TOTAL		**606,613**	**992,632**
LIABILITIES			
I.	Capital	139,909	140,521
II.	Share premium account	132,087	133,596
III.	Revaluation surplus	2,551	2,551
IV.	Reserves	17,578	17,640
V.	Profits (losses) brought forward	99,659	123,573
VI.	Investment grants	0	0
VII.	A. Provisions for liabilities and charges	4,645	4,489
	B. Deferred taxes	0	0
VIII.	Amounts payable after one year	50,579	66,248
IX.	Amounts payable within one year	153,130	502,128
X.	Accrued charges and deferred income	6,474	1,884
TOTAL		**606,613**	**992,632**

in thousand EUR

Recticel NV/SA		31 DEC 2021	31 DEC 2022
PROFIT AND LOSS ACCOUNT			
I.	**Operating revenues**	**392,326**	**286,999**
II.	Operating charges	(354,866)	(243,904)
III.	**Operating profit (loss)**	**37,460**	**43,094**
IV.	Financial income	53,817	13,549
V.	Financial charges	(24,215)	-13,751
VI.	**Profit (loss) for the year before taxes**	**67,062**	**42,892**
VII.	Income taxes	(774)	(1,492)
VIII.	**Profit (loss) for the year after taxes**	**66,289**	**41,400**
IX.	Transfer to untaxed reserves	0	0
X.	**Profit (loss) for the period available for appropriation**	**66,289**	**41,400**

The management report of the Board to the Annual General Meeting of Shareholders and the Statutory Financial Statements of Recticel NV/SA, as well as the auditor's report, will be filed with the National Bank of Belgium within the statutory periods. The statutory annual accounts of Recticel NV/SA as well as the statutory report by the Board of Directors, is freely available on the company's website www.recticel.com.

Profit appropriation policy

The General Shareholders Meeting decides on the appropriation of the profit available for the distribution of a dividend based upon a proposal by the Board of Directors. The Board of Directors intends to propose to pay out a stable or gradually increasing annual dividend, considering the following elements:

- proper compensation for the shareholders
- retention of adequate self-financing capacity to enable investment in value creation opportunities.

The Board of Directors decided to present the following appropriation of the results to the General Meeting:

in EUR

Recticel NV/SA		
Profit/(Loss) for the financial year	41,400,104	
Profit/(Loss) brought forward from previous year	99,659,228	+
Profit/(Loss) to be added to legal reserves	61,250	-
Profit/(Loss) to be added to other reserves	0	-
Result to be appropriated	**140,998,082**	**=**
Gross dividend [1]	17,424,610	-
Profit to be carried forward	**123,573,472**	**=**

[1] *Gross dividend per share of EUR 0.31, resulting in a net dividend after tax of EUR 0.217 per ordinary share.*

20240202020056

DECLARATION BY THE RESPONSIBLE OFFICERS

We hereby certify that, to the best of our knowledge, the Consolidated Financial Statements as of 31 December 2022, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and with legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Mr Johnny Thijs (Chairman of the Board of Directors)

Mr Olivier Chapelle (Chief Executive Officer)

Mr Dirk Verbruggen (Chief Financial & Legal Officer)



APPENDIX 6

8.1 AUDITOR'S REPORTS

pwc

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF RECTICEL NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Recticel NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 25 May 2021, following the proposal formulated by the board of directors and following the recommendation by the audit committee and the proposal formulated by the works' council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2023. We have performed the statutory audit of the Group's consolidated accounts for 2 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in shareholders' equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR '000 1,075,659 and a result of the period after taxes – continuing and discontinued operations (share of the Group) of EUR '000 63,181.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory auditor's responsibilities for the audit of the consolidated accounts*" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL - Financial Assurance Services
Maatschappelijke zetel/Siège social: Culliganlaan 5, B-1831 Diegem
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Discontinued operations Engineered Foams - Note 5.2.4.7

Description of key audit matter

On 11 October 2021 Recticel received a binding offer from Carpenter Co. for the divestment of its Engineered Foams business for a cash consideration based on an Enterprise Value of EUR 656 million on a cash and debt free basis. Following the authorization given by the shareholders during the Special General Meeting of 06 December 2021, Recticel entered into a binding agreement to sell its Engineered Foams business line to the US-based privately owned Carpenter Co. ("Carpenter"). Beginning of 2022 the public offer issued by Greiner has expired and on 28 February 2022 Greiner sold 12,647,732 shares (22,6 % voting rights of the company) to Baltisse NV.

In accordance with IFRS, Recticel evaluated the criteria for the application of IFRS 5, to assess the classification of Engineered Foams as disposal group held for sale. Recticel considers the criteria of IFRS 5 to be met as of 30 June 2022, and consequently the Engineered Foams activities have been accounted for as discontinued operations as per 30 June 2022. IFRS 5 has been applied on the basis of the following facts : (i) decision by the Board of Directors to divest the Recticel Engineered Foams activities, (ii) receival of a binding offer, (iii) obtention of shareholder approval, (iv) execution of legal carve-outs and (v) the sale being highly probable to be concluded within 12 months of the classification as disposal group held for sale. Following the application of IFRS5, depreciations have been stopped on Recticel Engineered Foams, as from 30 June 2022, the date Engineered Foams is available for immediate sale following the completion of the carve-outs.

We considered the accounting treatment in the financial statements of this event as a key audit matter taking into account:

- the size and complexity of the transaction including management's judgement applied to identify the discontinued assets, liabilities and operations partly carved out from legal companies active in other continuing activities at Recticel;
- the appropriate application of IFRS 5, in particular the classification in accordance with the requirements of IFRS and the measurement of the assets and liabilities at the lower of fair value less costs to sell or their carrying amounts.

The discontinued assets and liabilities, the consolidated income statement and the consolidated cash flows from discontinued operations are disclosed in Note 5.2.4.7 Discontinued operations of the consolidated accounts.

How our audit addressed the key audit matter

We read and reviewed the executed agreements, minutes of boards of directors and shareholders to evaluate and determine the appropriate treatment of the transaction in accordance with the requirements of IFRS 5. Moreover, we held meetings and performed inquiries with management to obtain an understanding of the disposal process as well as of the executed agreements.

We performed procedures to verify completeness and accuracy of the assets, liabilities and results presented as discontinued operations, including measurement in accordance with IFRS 5. Our procedures include but are not restricted to:

- reconciling the reclassified assets, liabilities and results to the business unit reporting available in the entity's financial reporting system;
- validating of assumptions taken on carved out assets, liabilities and net results as part of the discontinued operations from legal companies also active in other continuing activities at Recticel based on audit evidence obtained;
- reviewing and challenging management's estimate of the disposal gain;
- evaluating the adequacy of the disclosure (Note 5.2.4.7) of this disposal in the consolidated accounts.

We agree with management's position that the IFRS 5 criteria were met as of 30 June 2022. We found the methodologies and the assumptions applied in respect of the reclassified assets, liabilities and results of the discontinued operations and the preliminary estimate of the disposal gain to be in line with our expectations and the executed agreements. We consider the disclosure on the discontinued operations as appropriate.

The acquisition of Trimo - Note 5.2.4.8

Description of key audit matter

The acquisition of Trimo Group was of most significance to our audit due to the size and significant judgments and assumptions involved in the purchase price allocation of EUR 164,3 million, mainly in relation to step ups on the valuation of inventories, property, plant, equipment and the recognition of intangible assets such as customer contracts, trademarks and technology related intangible assets. As disclosed in Note 5.2.4.8 'Business Combinations' a goodwill of EUR 60,1 million has been recognised.

How our audit addressed the key audit matter

With respect to the accounting for the Trimo's acquisition, we have, amongst others,

- read the share purchase agreement, confirming the correct accounting treatment has been applied and appropriate disclosure has been made;

- assessed the valuation and accounting for the consideration payable and traced payments to bank statements;
- tested the identification and valuation of the assets and liabilities Recticel acquired, including any GAAP and fair value adjustments;
- assessed and challenged the valuation assumptions used in the calculations such as discount rates amongst others based on external evidence. In doing so we have utilized valuation specialists to assist with the audit of the identification and valuation of the assets and liabilities acquired;
- we also assessed the adequacy of the disclosures in Note 5.2.4.8.

We found the methodologies and the assumptions applied to be in line with our expectations, and the acquisition accounting and related disclosure in line with the share purchase agreement.

Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;

- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:32, §2 of the Companies' and Associations' Code is included in the directors' report on the consolidated accounts. The Company has prepared the non-financial information, based on the reference framework Global Reporting Initiative (GRI) Standards and the UN's Sustainable Development Goals (SDG's) reporting framework.. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the UN's Sustainable Development Goals (SDG's) reporting framework. as disclosed in the directors' report on the consolidated accounts.

Statement related to independence

Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.

The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

European Uniform Electronic Format ("ESEF")

In accordance with the standard on the draft verification of the compliance of the financial statements with the European Uniform Electronic Format (hereinafter "ESEF"), we must verify whether the ESEF format is in accordance with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter "digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient appropriate evidence to conclude that the format and marking language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

The digital consolidated financial statements have not yet been submitted to us at the date of this report.

If, in our audit of the digital consolidated financial statements, we determine that there is a material misstatement, we will be required to report the matter to the board of directors and request the latter to make any necessary changes. If this does not happen, we will be forced to adjust this report with regard to the fact that the format of and the marking of information in the digital consolidated financial statements included in the annual financial statements report of Recticel NV does not conform in all material respects with the ESEF requirements under the Delegated Regulation.

Other statements

This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Diegem, 27 April 2023

The statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by
Marc Daelman
Réviseur d'Entreprises / Bedrijfsrevisor

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INDEPENDENT LIMITED ASSURANCE REPORT ON A SELECTION OF SUSTAINABILITY KPI'S IN THE ANNUAL REPORT 2022 OF RECTICEL NV

To the Board of Directors of Recticel NV

This report has been prepared in accordance with the terms of our engagement contract dated 26 January 2023, the addendum dated 9 February 2023 and the second addendum dated 23 February 2023 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with a selection of sustainability KPIs included in the Annual Report as of and for the year ended 31 December 2022 of Recticel NV (the "Report"), as listed in the Appendix of this assurance report.

The Directors' responsibility

The Directors of Recticel NV ("the Company") are responsible for the preparation and presentation of the selection of sustainability KPIs for the year 2022 included in the Report, as listed in the Appendix of this assurance report (the "Subject Matter Information"), in accordance with the criteria disclosed in the Report (the "Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria.

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pwc

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable engagement been performed. The selection of such procedures depends on our professional judgement, including the assessment of the risks of material misstatement of the Subject Matter Information in accordance with the Criteria.

The scope of our work comprised the following:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2022 presented in the Report;
- conducting interviews with responsible officers;
- reviewing, on a limited test basis, relevant internal and external documentation;
- performing an analytical review of the data and trends in the information submitted for consolidation;
- considering the disclosure and presentation of the Subject Matter Information.

The scope of our work is limited to assurance over the Subject Matter Information. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

Our independence and quality control

We have complied with the independence and other ethical requirements in the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (IESBA Code) together with the legal Belgian requirements in respect of the auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organising the audit profession and its public oversight of registered auditors.

Our firm applies International Standard on Quality Management n°1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Related Services Engagements, and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information within your Annual Report as of and for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the Criteria.

Other ESG related information

The other information comprises all of the ESG related information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other ESG related information. As explained above, our assurance conclusion does not extend to the other ESG related information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other ESG related information and, in doing so, consider whether the other ESG related information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Other matter - restriction on use and distribution of our report

Our report is intended solely for the use of the Company, to whom it is addressed, in connection with their Report as of and for the year ended 31 December 2022 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Diegem, 27 April 2023

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL
represented by

Marc Deaelman[1]
Registered auditor

[1] Marc Daelman BV, member of the Board of Directors, represented by its permanent representative Marc Daelman

Appendix – Subject Matter Information

Chapter in the Annual Report 2022 of Recticel NV	The selection of sustainability KPIs
Chapter "4.1.2.2. GHG emissions Scopes 1, 2 & 3"	Recticel carbon footprint (scope 1, 2, 3 in tonnes of CO_2 equivalent)
Chapter "4.2.9. S14 - Health and safety indicators"	Frequency 1 (Lost Time Accidents representing the average on Group level for all our plants and offices)
	Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases)
Chapter "4.2.8. S13 - Training and skill development indicators"	% employee participation in e-learning including Legal, Cybersecurity, Safety, as well as expanding new offerings based on specific needs detected during the annual Employee Performance Management Discussion (EPMD)
Chapter "4.2.5. S9 - Diversity indicators"	Gender diversity in senior management (Recticel HG 18+)

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GLOSSARY

IFRS MEASURES

Consolidated (data): financial data following the application of IFRS 11, whereby joint ventures and associates are integrated on the basis of the equity method.

ALTERNATIVE PERFORMANCE MEASURES

In addition, the Group uses alternative performance measures (Alternative Performance Measures or "APM") to express its underlying performance and to help the reader to better understand the results. APM are not defined performance indicators by IFRS. The Group does not present APM as an alternative to financial measures determined in accordance with IFRS and does not give more emphasis to APM than the defined IFRS financial measures.

Adjusted EBITDA: EBITDA before Adjustments (to Operating Profit)

Adjusted operating profit (loss): Operating profit (loss) + adjustments to operating profit (loss)

Adjustments to Operating profit (loss) include operating revenues, expenses and provisions that pertain to restructuring programmes (redundancy payments, closure & clean-up costs, relocation costs,...), reorganisation charges and onerous contracts, impairments on assets ((in) tangible assets and goodwill), revaluation gains or losses on investment property, gains or losses on divestments of non-operational investment property, and on the liquidation of investments in affiliated companies, revenues or charges due to important (inter)national legal issues and costs of advisory fees incurred in relation to acquisitions or business combination projects, costs of advisory fees incurred in relation to acquisitions, divestments or business combination projects, including fees incurred in connection with their financing and reversals of inventory step up values resulting from purchase price allocations under IFRS 3 Business Combinations.

Current ratio: Current assets / Current liabilities

EBITDA: Operating profit (loss) + depreciation, amortisation and impairment on assets; all of continuing activities.

Gearing: Net financial debt / Total equity

income from associates: Income considered as being part of Recticel's core business are integrated in Operating profit (loss).

Income from other associates: Income from associates not considered as being part of Recticel's core business are not integrated in Operating profit (loss).

Leverage: Net financial debt / EBITDA (last 12 months)

Net free cash-flow: Sum of the (i) Net cash flow after tax from operating activities, (ii) the Net cash flow from investing activities, (iii) the Interest paid on financial liabilities and (iv) reimbursement of lease liabilities; as shown in the consolidated cash flow statement.

Net financial debt: Interest bearing financial liabilities and lease liabilities at more than one year + interest bearing financial liabilities and lease liabilities within maximum one year + accrued interests – cash and cash equivalents + Net marked-to-market value position of hedging derivative instruments. The interest-bearing borrowings do not include the drawn amounts under non-recourse factoring/forfeiting programs.

Net working capital: Inventories and contracts in progress + Trade receivables + Other receivables + Income tax receivables – Trade payables – Income tax payables – Other amounts payable.

Operating profit (loss): Profit before income from other associates, fair value adjustments of option structures, earnings of discontinued activities, interests and taxes. Operating profit (loss) comprises income from associates of continuing activities.

Total net financial debt: Net financial debt + the drawn amounts under off-balance sheet non-recourse factoring programs.

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3.3 SHAREHOLDER'S DIARY

First quarter 2023 trading update:	28.04.2023 (07:00 AM CET)
Annual General Meeting:	30.05.2023 (10:00 AM CET)
First half-year 2023 results:	31.08.2023 (07:00 AM CET)
Third quarter 2023 trading update:	27.10.2023 (07:00 AM CET)

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GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Universal Standards 2021.

NUMBER	DISCLOSURE	CHAPTER
GRI 1 FOUNDATION 2021		
	Publish a GRI content index	6.4.
	Statement of use	0. (About this report)
GRI 2 GENERAL DISCLOSURES 2021		
2-1	Organizational details	0. (We Are Recticel); 1.1.; 3.1.2.
2-2	Entities included in the organization's sustainability reporting	1.1.; 3.1.2.;
2-3	Reporting period, frequency and contact point	0. (About this report),
2-4	Restatements of information	0. (We Are Recticel); 4.1.; 5.
2-5	External assurance	6.1.
2-6	Activities, value chain, and other business relationships	3.
2-7	Employees	4.2.
2-8	Workers who are not employees	
2-9	Governance structure and composition	4.3.
2-10	Nomination and selection of the highest governance body	4.3.; 5.2.6.5.
2-11	Chair of the highest governance body	4.3.5.
2-12	Role of the highest governance body in overseeing the management of impacts	4.3.6.1.
2-13	Delegation of responsibility for managing impacts	4.3.2.
2-14	Role of the highest governance body in sustainability reporting	4.3.4.
2-15	Conflicts of interest	4.3.6.2.; 4.3.9.
2-16	Communication of critical concerns	4.3.2.
2-17	Collective knowledge of the highest governance body	3.2.8.1.
2-18	Evaluation of the performance of the highest governance body	4.3.5.
2-19	Remuneration policies	4.3.8.2.
2-20	Process to determine remuneration	4.3.6.2.

NUMBER	DISCLOSURE	CHAPTER
2-21	Annual total compensation ratio	4.3.8.8.
2-22	Statement on sustainable development strategy	4.1.4.
2-23	Policy commitments	4.2.2.; 4.3.2.
2-24	Embedding policy commitments	4.3.2.
2-25	Processes to remediate negative impacts	4.3.3.
2-26	Mechanisms for seeking advice and raising concerns	4.2.1.3.; 4.2.2.
2-27	Compliance with laws and regulations	4.2.1.2.
2-28	Membership associations	4.2.9.
2-29	Approach to stakeholder engagement	3.2.6.
2-30	Collective bargaining agreements	4.2.4.
GRI 3 MATERIAL TOPICS 2021		
3-1	Process to determine material topics	3.2.2.
3-2	List of material topics	3.2.2.
3-3	Management of material topics	3.2.; 3.2.5.
GRI 200 ECONOMIC TOPICS		
GRI 201 Economic Performance 2016		
201-1	Direct economic value generated and distributed	5.1.
201-2	Financial implications and other risks and opportunities due to climate change	3.2.3.; 4.1.4.; 4.3.3.; 5.2.1.7.
201-3	Defined benefit plan obligations and other retirement plans	5.2.5.14.
201-4	Financial assistance received from government	5.2.1.3.
GRI 205 Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	4.3.2.; 4.3.3.
205-2	Communication and training about anti-corruption policies and procedures	0.; 3.2.5.; 4.2.8.
205-3	Confirmed incidents of corruption and actions taken	5.2.6.9.
GRI 206 Anti-competitive behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	

NUMBER	DISCLOSURE	CHAPTER
GRI 207 Tax 2019		
207-1	Approach to tax	5.2.4.6.; 5.2.1.3.
207-2	Tax governance, control, and risk management	5.2.5.18.
207-3	Stakeholder engagement and management of concerns related to tax	5.2.4.6.
207-4	Country-by-country reporting	5.2.4.6.
GRI 300 ENVIRONMENTAL TOPICS		
GRI 301 Materials 2016		
301-1	Materials used by weight and volume	4.1.2.3.
GRI 302 Energy 2016		
302-1	Energy consumption within the organization	4.1.3.
302-2	Energy consumption outside of the organization	4.1.3.
302-3	Energy intensity	4.1.3.
302-4	Reduction of energy consumption	4.1.3.
302-5	Reductions in energy requirements of products and services	4.1.1.2.; 4.1.5.
GRI 303 Water and effluents 2018		
303-1	Interactions with water as a shared resource	
303-2	Management of water discharge related impacts	
303-3	Water withdrawal	4.1.3.5.
303-4	Water discharge	
303-5	Water consumption	4.1.3.5.
GRI 304 Biodiversity 2018		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.3.2.; 4.3.3.
GRI 305 Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	4.1.2.3.
305-2	Energy indirect (Scope 2) GHG emissions	4.1.2.3.
305-3	Other indirect (Scope 3) GHG emissions	4.1.2.3.
305-4	GHG emissions intensity	4.1.2.3.
305-5	Reduction of GHG emissions	4.1.1.

NUMBER	DISCLOSURE	CHAPTER
GRI 306 Waste 2020		
306-2	Management of significant waste-related impacts	3.2.2.; 3.2.4., 3.2.5.
306-3	Waste generated	
306-4	Waste diverted from disposal	4.1.2.2.
306-5	Waste directed to disposal	3.1.2.4.
GRI 308 Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	
308-2	Negative environmental impacts in the supply chain and actions taken	
GRI 400 SOCIAL TOPICS		
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	
GRI 403 Occupational Health & Safety 2018		
403-1	Occupational health and safety management system	4.2.9.
403-2	Hazard identification, risk assessment, and incident investigation	4.2.9.
403-3	Occupational health services	4.2.9.
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2.9.
403-5	Worker training on occupational health and safety	4.2.9.
403-6	Promotion of worker health	4.2.9.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2.9.
403-9	Work-related injuries	4.2.9.
GRI 404 Training and Education 2016		
404-1	Average hours of training per year per employee	
404-2	Programs for upgrading employee skills and transition assistance programs	4.2.8.
404-3	Percentage of employees receiving regular performance and career development reviews	4.2.8.
GRI 405 Diversity and equal opportunity 2016		
405-1	Diversity of governance bodies and employees	4.2.5.; 4.3.11.
405-2	Ratio of basic salary and remuneration of women to men	
GRI 406 Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	4.2.12.

NUMBER	DISCLOSURE	CHAPTER
GRI 407 Freedom of association and collective bargaining 2016		
407-1	Operations and suppliers in which the right to freedom to association and collective bargaining may be at risk	NA
GRI 413 Local communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	NA
GRI 414 Supplier social assessment 2016		
414-1	New suppliers that were screened using social criteria	
GRI 415 Public policy 2016		
415-1	Political contributions	NA
GRI 416 Customer health and safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	4.2.9.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.2.9.
GRI 418 Customer privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	NA

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This report is available in English and Dutch.
Dit verslag is beschikbaar in het Nederlands en het Engels.

In case of textual contradictions between the English and the Dutch version the first shall prevail.

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STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING, IN ACCORDANCE WITH ARTICLE 12 OF THE ROYAL DECREE OF 14 NOVEMBER 2007, REGARDING THE COMPLIANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS IN THE FORM OF AN ELECTRONIC FILE OF RECTICEL NV AS AT 31 DECEMBER 2022 IN ACCORDANCE WITH THE ESEF (EUROPEAN SINGLE ELECTRONIC FORMAT) REQUIREMENTS AND TAXONOMY UNDER THE DELEGATED REGULATION (EU) 2019/815

Mission

In accordance with article 12 of the Royal Decree of 14 November 2007, the statutory auditors' mission is to report on the format and XBRL marking language of the digital consolidated financial statements in the form of an electronic file (hereinafter "digital consolidated financial statements") in accordance with the ESEF requirements and taxonomy (more specifically the provisions in force as laid down in the ESEF Regulatory Technical Standard, "ESEF RTS" under Delegated Regulation (EU) 2019/815 dated 17 December 2018) applicable to the digital consolidated financial statements as at 31 December 2022.

This report follows our statutory auditor's report to the general shareholders meeting of Recticel NV in the context of the consolidated annual accounts for the year ended 31 December 2022 due to the untimely receipt of the digital consolidated financial statements.

Responsibilities of the board of directors

The board of directors is responsible for the preparation of the digital consolidated financial statements as included in the annual financial report in accordance with the ESEF requirements ("ESEF RTS") applicable to the digital consolidated financial statements as at 31 December 2022.

This responsibility includes the selection and application of the most appropriate methods to prepare the digital consolidated financial statements. In addition, the responsibility of the board of directors includes designing, implementing and maintaining systems and processes relevant to the preparation of the digital consolidated financial statements that are free from material misstatement resulting from fraud or errors. The board of directors should verify that the digital consolidated financial statements are consistent with the human-readable consolidated financial statements.

Statutory auditor's responsibility

Our responsibility is to express a conclusion as to whether the format and the marking language XBRL of the digital consolidated financial statements of Recticel NV per 31 December 2022 complies in all material respects with the ESEF technical regulatory standards under Delegated Regulation (EU) 2019/815 based on the work we perform.

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We conducted our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain reasonable assurance about whether nothing has come to our attention that causes us to believe that the digital consolidated financial statements are, in all materiality, in that respect would not have been prepared in accordance with the ESEF technical regulatory standards applied by the Company.

The selection of the procedures performed depends on our judgment and assessment of the risk of material misstatement in the digital consolidated financial statements and in the statements of the board of directors. The entirety of the work performed by us consisted of, among other things, the following procedures:

- Verify that the digital consolidated financial statements in XHTML format have been prepared in accordance with Article 3 of the Delegated Regulation;
- Obtain an understanding of the processes of the Company's practice in the XBRL marking language of its digital consolidated financial statements and of the internal controls relevant to the certification, in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal controls that are designed to provide reasonable assurance about whether the XBRL marking language of the digital consolidated financial statements complies in all material respects with the ESEF regulatory technical standards;
- Obtaining sufficient appropriate audit evidence about the effective operation of controls relevant to the XBRL marking language of the digital consolidated financial statements of Recticel NV per 31 December 2022;
- Reconciliation of the marked data with the audited consolidated financial statements of Recticel NV per 31 December 2022;
- Assessing the completeness and fairness of the marking language of the digital consolidated financial statements prepared by the Company;
- Assessing the appropriateness of the Company's use of the XBRL elements of the ESEF taxonomy and assessing the creation of the extension taxonomy.

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Our independence and quality control

We have complied with the independence and other ethical requirements in the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (IESBA Code) together with the legal Belgian requirements in respect of the auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organising the audit profession and its public oversight of registered auditors and with Art. 3:62, 3:63 and 3:64 and 3:65 of the Companies' and Associations' Code.
Our firm applies International Standard on Quality Management n°1, a quality management for firms that perform audits and reviews of financial statements, and other assurance related services engagements, and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our opinion

In our opinion, based on the procedures performed, the format of and the marking language of the digital consolidated financial statements as included within the annual financial report of Recticel NV per 31 December 2022 complies in all material respects with the ESEF requirements under the Delegated Regulation (EU) 2019/815.

We do not express an audit opinion, a review conclusion or any other assurance conclusion on the consolidated financial statements themselves in this report. Our audit opinion on the Group's consolidated financial statements is set out in the statutory auditor's report dated 27 April 2023.

Other matter

The consolidated financial statements of Recticel NV (the "Company") and its subsidiaries (jointly "the Group") have been prepared by the board of directors of the Company on 27 April 2023 and has been subject to a statutory audit. Our statutory auditor's report (signed on 27 April 2023) includes an unqualified opinion on the true and fair view of the Group's equity and consolidated financial position as of 31 December 2022, as well as its consolidated results and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Diegem, 23 May 2023

The statutory auditor
PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL
Represented by

DocuSigned by:
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Marc Daelman
Réviseur d'Entreprises / Bedrijfsrevisor